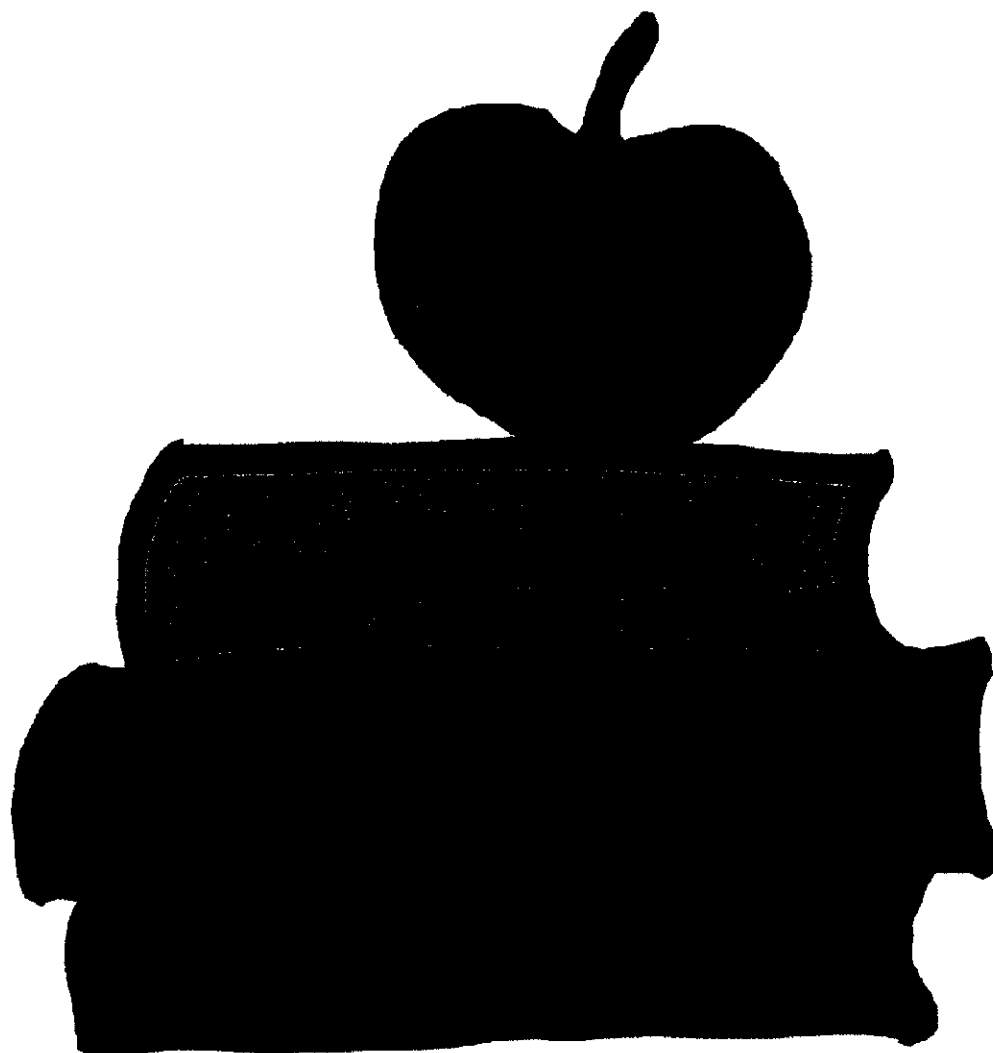


# Union Parish School Board

Farmerville, Louisiana



## Annual Financial Report

for the year ended June 30, 2007

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/23/08

**Union Parish School Board  
Farmerville, Louisiana**

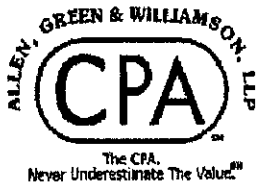
**Annual Financial Report  
As of and for the Year Ended June 30, 2007**

**Union Parish School Board  
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(Retired) 1963 - 2000

### Independent Auditors' Report

Board Members  
Union Parish School Board  
Farmerville, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Union Parish School Board, as of and for the year ended June 30, 2007, which collectively comprise the School Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School Board's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Union Parish School Board as of June 30, 2007, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 14, 2007, on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the Budgetary Comparison Schedules, as listed in the table of contents, are not a required part of the *basic financial statements* but are supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Union Parish School Board's basic financial statements. The accompanying supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. That information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The information identified in the table of contents as other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

*allen, green + williamson, LLP*

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
December 14, 2007

**REQUIRED SUPPLEMENTAL INFORMATION**

**MANAGEMENT'S DISCUSSION  
AND ANALYSIS (MD&A)**

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## Union Parish School Board

### Management's Discussion and Analysis (MD&A)

June 30, 2007

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Our discussion and analysis of Union Parish School Board's financial performance provides an overview of the School Board's financial activities for the fiscal year ended June 30, 2007. Please read it in conjunction with the School Board's financial statements which follow this Management's Discussion and Analysis.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments issued June 1999.

**FINANCIAL HIGHLIGHTS** The primary resources available to the School Board are local revenues which are primarily tax receipts, state revenues which are primarily minimum foundation funding and cost reimbursement grants, and federal revenues which are primarily cost reimbursement grants.

The School Board's fund financial statements provide detailed information about the most significant funds - not the School Board as a whole. Some funds are required to be established by state law and by bond covenants. However, the School Board establishes many other funds to help it control and manage money for particular purposes (like School Food Service) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (for example grants received from the U.S. Department of Education).

The fund balance of all governmental funds decreased by \$594,575 during the 2006-2007 fiscal year. During the year, \$250,000 designated for the purchase of buses was depleted and a large amount of building repairs performed in District A depleted over \$165,000 of District A's beginning fund balance. The building project at Farmerville Jr. High School (gym) was also completed which depleted the \$25,000 fund balance for this fund. Other improvements to buildings and programs throughout the district would explain the remainder of the change.

The School Board experienced a decline in ad valorem tax revenue of \$113,135 due mainly to the loss of taxable property. Union Parish had been the home base for several railroad car companies. When the tax millage was passed, they began to relocate their tax home base to other parishes with lower tax rates.

An additional \$442,547 was collected in sales tax and this is a sign of a boost in the local economy. The School Board is hopeful that the addition of Super Wal-Mart along with several other businesses will continue to increase the sales tax collections received by the School Board.

**General Fund** The general fund is made up of two main funding sources, which are as follows: local and state. Local sources include such items as taxes, interest and rental that account for about 14% of the total revenue. State sources which total 85% of the revenue consist of the MFP, PIP reimbursement and other allotments. Fund balance of the General Fund decreased \$480,636 due mainly to, as mentioned above, the purchases of buses along with parishwide improvements and the continued rise of health benefits and other general operations.

**Other Governmental Funds** This includes several cost reimbursement programs, two sales tax funds, school food service, and the District A maintenance fund. These funds had a decrease of \$113,939 mainly because of the large scope of general maintenance work that was performed at the individual schools. Campuses continue to age, resulting in a steady demand for preventive maintenance.



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**Union Parish School Board**

**Management's Discussion and Analysis (MD&A)**

**June 30, 2007**

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**USING THIS ANNUAL REPORT** The School Board's annual report consists of a series of financial statements that show information for the School Board as a whole, its funds, and its fiduciary responsibilities. The government-wide financial statements, as identified in the table of contents, - Statement of Net Assets and the Statement of Activities - provide information about the activities of the School Board as a whole and present a longer-term view of the School Board's finances. Our fund financial statements, as identified in the table of contents, are included later in this report. For our governmental funds, the fund financial statements tell how we financed our services in the short-term as well as what remains for future spending. Fund statements also may give you some insights into the School Board's overall financial health. Fund financial statements also report the School Board's operations in more detail than the government-wide financial statements by providing information about the School Board's most significant fund which is the General Fund. The remaining statement - the Statement of Fiduciary Assets and Liabilities - presents financial information about activities for which the School Board acts solely as an agent for the benefit of students and parents.

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**Union Parish School Board**

**Management's Discussion and Analysis (MD&A)**

**June 30, 2007**

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***Financial Section***

**Required Supplemental Information**

**Management's Discussion & Analysis (MD&A)**

**Basic Financial Statements**

**Governmentwide  
Financial Statements**



**Fund  
Financial Statements**

**Notes to the Basic Financial Statements**

**Required Supplemental Information**

**Budgetary Information for Major Funds**

**Supplemental Information**

**Nonmajor Funds Combining Statements**

**Agency Funds Statements/Schedules**

**Schedule of Compensation Paid Board Members**

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance is being provided by the auditor regarding the Required Supplemental Information and the Supplemental Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

**Reporting the School Board as a Whole**

***The Statement of Net Assets and the Statement of Activities***

Our analysis of the School Board as a whole begins with the government-wide financial statements. One of the most important questions asked about the School Board is, "Is the School Board as a whole better off or worse off financially as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities, which appear first in the School Board's financial statements, report information on the School Board as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets and

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## **Union Parish School Board**

### **Management's Discussion and Analysis (MD&A)**

**June 30, 2007**

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liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the School Board's net assets - the difference between assets and liabilities, as reported in the Statement of Net Assets - as one way to measure the School Board's financial health, or financial position. Over time, increases or decreases in the School Board's net assets - as reported in the Statement of Activities - are one indicator of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the School Board's operating results. However, the School Board's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the quality of the education provided and the safety of the schools to assess the overall health of the School Board.

The Statement of Net Assets and Statement of Activities report the following activity for the School Board:

Governmental activities - All of the School Board's services are reported here, including instruction, plant services, transportation, and food services. Property taxes, sales taxes, Minimum Foundation Program funds, and state and federal grants finance most of these activities.

#### **Reporting the School Board's Most Significant Funds**

##### ***Fund Financial Statements***

The School Board's fund financial statements provide detailed information about the most significant funds - not the School Board as a whole. Some funds are required to be established by State law and by bond covenants. However, the School Board establishes many other funds to help it control and manage money for particular purposes (like the School Food Service) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants the School Board receives from the U.S. Department of Education). The School Board's governmental funds use the following accounting approach:

Governmental funds - All of the School Board's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School Board's operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School Board's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliation on Statements D and F.

#### **The School Board as Trustee**

##### ***Reporting the School Board's Fiduciary Responsibilities***

The School Board is the trustee, or fiduciary, for its student activities funds, and the sales tax fund. All of the School Board's fiduciary activities are reported in the Statements of Fiduciary Assets and Liabilities. We exclude these activities from the School Board's other financial statements because the School Board cannot use these assets to

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Union Parish School Board

Management's Discussion and Analysis (MD&A)

June 30, 2007

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finance its operations. The School Board is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**THE SCHOOL BOARD AS A WHOLE** The School Board's net assets were \$4,689,135 at June 30, 2007. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use those net assets for day-to-day operations. Our analysis below focuses on the net assets, (Table 1) and the change in net assets (Table 2) of the School Board's governmental activities.

**Table 1**  
**Net Assets**  
**June 30,**

|   | Governmental Activities |                    | Dollar             |
|---|-------------------------|--------------------|--------------------|
|   | <u>2007</u>             | <u>2006</u>        | <u>Variance</u>    |
| Current and other assets                | \$4,429,987             | \$5,107,770        | \$(677,783)        |
| Capital assets                          | <u>2,832,549</u>        | <u>2,583,248</u>   | <u>249,301</u>     |
| Total assets                            | <u>7,262,536</u>        | <u>7,691,018</u>   | <u>(428,482)</u>   |
| Current and other liabilities           | 1,819,115               | 1,902,323          | (83,208)           |
| Long-term liabilities                   | <u>754,286</u>          | <u>743,916</u>     | <u>10,370</u>      |
| Total liabilities                       | <u>2,573,401</u>        | <u>2,646,239</u>   | <u>(72,838)</u>    |
| Net assets                              |                         |                    |                    |
| Invested in capital assets, net of debt | 2,832,549               | 2,583,248          | 249,301            |
| Restricted                              | 981,365                 | 1,086,807          | (105,442)          |
| Unrestricted                            | <u>875,221</u>          | <u>1,374,724</u>   | <u>(499,503)</u>   |
| Total net assets                        | <u>\$4,689,135</u>      | <u>\$5,044,779</u> | <u>\$(355,644)</u> |

The \$875,221 in unrestricted net assets of governmental activities represents accumulated results of all past year's operations. It means that if the School Board had to pay off all of its bills today including all of its non-capital liabilities such as compensated absences, there would be \$875,221 remaining.

The results of this year's operations for the School Board as a whole are reported in the Statement of Activities, reflected later as Statement B in the government-wide financial statements. Table 2 on the next page, take the information from that statement and rearrange it slightly by grouping all revenues in the same section.

**Union Parish School Board**

**Management's Discussion and Analysis (MD&A)  
June 30, 2007**

**Table 2  
Changes in Net Assets  
For the Years Ended June 30,  
Governmental Activities**

|                                    | <u>2007</u>         | <u>2006</u>         | <u>Dollar<br/>Variance</u> |
|------------------------------------|---------------------|---------------------|----------------------------|
| Net assets – beginning             | \$ 5,044,779        | \$ 3,161,890        | \$1,882,889                |
| <b>Revenues:</b>                   |                     |                     |                            |
| Program revenues                   |                     |                     |                            |
| Charges for services               | 177,097             | 168,735             | 8,362                      |
| Federal grants                     | 3,721,009           | 4,446,787           | (725,778)                  |
| State grants and entitlements      | 1,400,128           | 927,492             | 472,636                    |
| General revenue                    |                     |                     |                            |
| Ad valorem taxes                   | 2,060,659           | 2,173,794           | (113,135)                  |
| Sales taxes                        | 4,272,775           | 3,830,228           | 442,547                    |
| State minimum foundation program   | 12,604,797          | 13,323,149          | (718,352)                  |
| Other general revenues             | <u>649,415</u>      | <u>460,678</u>      | <u>188,737</u>             |
| Total revenues                     | <u>24,885,880</u>   | <u>25,330,863</u>   | <u>(444,983)</u>           |
| <b>Functions/Program expenses:</b> |                     |                     |                            |
| Instruction                        |                     |                     |                            |
| Regular programs                   | 8,703,520           | 8,403,986           | 299,534                    |
| Special programs                   | 2,650,350           | 2,263,400           | 386,950                    |
| Other instructional programs       | 2,978,719           | 2,621,931           | 356,788                    |
| Support services                   |                     |                     |                            |
| Student services                   | 746,617             | 663,242             | 83,375                     |
| Instructional staff support        | 1,615,796           | 1,883,355           | (267,559)                  |
| General administration             | 689,396             | 811,252             | (121,856)                  |
| School administration              | 850,032             | 843,378             | 6,654                      |
| Business services                  | 322,142             | 270,153             | 51,989                     |
| Plant services                     | 2,256,814           | 1,778,327           | 478,487                    |
| Student transportation services    | 2,481,044           | 2,007,667           | 473,377                    |
| Central services                   | 84,789              | 50,218              | 34,571                     |
| Food services                      | 1,849,695           | 1,848,169           | 1,526                      |
| Community service programs         | <u>12,610</u>       | <u>2,896</u>        | <u>9,714</u>               |
| Total expenses                     | <u>25,241,524</u>   | <u>23,447,974</u>   | <u>1,793,550</u>           |
|                                    |                     |                     |                            |
| Increase (decrease) in net assets  | <u>(355,644)</u>    | <u>1,882,889</u>    | <u>(2,238,533)</u>         |
| Net assets - ending                | <u>\$ 4,689,135</u> | <u>\$ 5,044,779</u> | <u>\$ (355,644)</u>        |

**Governmental Activities** As reported in the Statement of Activities, the cost of all governmental activities this year was \$25,241,524. The amount that taxpayers ultimately financed for these activities through School Board taxes was only \$6,333,434 because some of the cost was paid by those who benefited from the program \$177,097 or by other governments and organizations who subsidized certain programs with grants and contributions \$5,121,137. The

**Union Parish School Board**

**Management's Discussion and Analysis (MD&A)**

**June 30, 2007**

remaining amount of \$13,609,856 was paid from Minimum Foundation Funds of \$12,604,797. The negative balance after paying for current year expenses of \$355,644 decreased equity.

In the table below we have presented the cost of each of the School Board's generally seven largest functions (based on the total cost of service)- regular programs, other instructional programs, special programs, student transportation services, plant services, food services, and instructional staff support as well as each program's net cost (total cost less revenues generated by the activities). Net cost shows the financial burden that was placed on the School Board's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

**Table 3  
Total Cost and Net Cost of Services  
For the Years Ended June 30,**

|                                    | Total cost of services     |                            |                            | Net cost of services       |                            |                            |
|------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|                                    | <u>2007</u>                | <u>2006</u>                | <u>Dollar<br/>Variance</u> | <u>2007</u>                | <u>2006</u>                | <u>Dollar<br/>Variance</u> |
| Regular instruction                | \$ 8,703,520               | \$ 8,403,986               | \$ 299,534                 | \$ 8,019,527               | \$ 7,755,583               | \$ 263,944                 |
| Special programs                   | 2,650,350                  | 2,263,400                  | 386,950                    | 1,425,607                  | 1,114,888                  | 310,719                    |
| Other instructional<br>programs    | 2,978,719                  | 2,621,931                  | 356,788                    | 1,709,064                  | 1,477,798                  | 231,266                    |
| Instructional staff support        | 1,615,796                  | 1,883,355                  | (267,559)                  | 951,264                    | 789,432                    | 161,832                    |
| Plant services                     | 2,256,814                  | 1,778,327                  | 478,487                    | 2,244,655                  | 1,754,103                  | 490,552                    |
| Student transportation<br>services | 2,481,044                  | 2,007,667                  | 473,377                    | 2,481,044                  | 2,006,417                  | 474,627                    |
| Food services                      | 1,849,695                  | 1,848,169                  | 1,526                      | 669,363                    | 610,514                    | 58,849                     |
| All others                         | <u>2,705,586</u>           | <u>2,641,139</u>           | <u>64,447</u>              | <u>2,442,766</u>           | <u>2,396,225</u>           | <u>46,541</u>              |
| <b>Totals</b>                      | <b><u>\$25,241,524</u></b> | <b><u>\$23,447,974</u></b> | <b><u>\$1,793,550</u></b>  | <b><u>\$19,943,290</u></b> | <b><u>\$17,904,960</u></b> | <b><u>\$2,038,330</u></b>  |

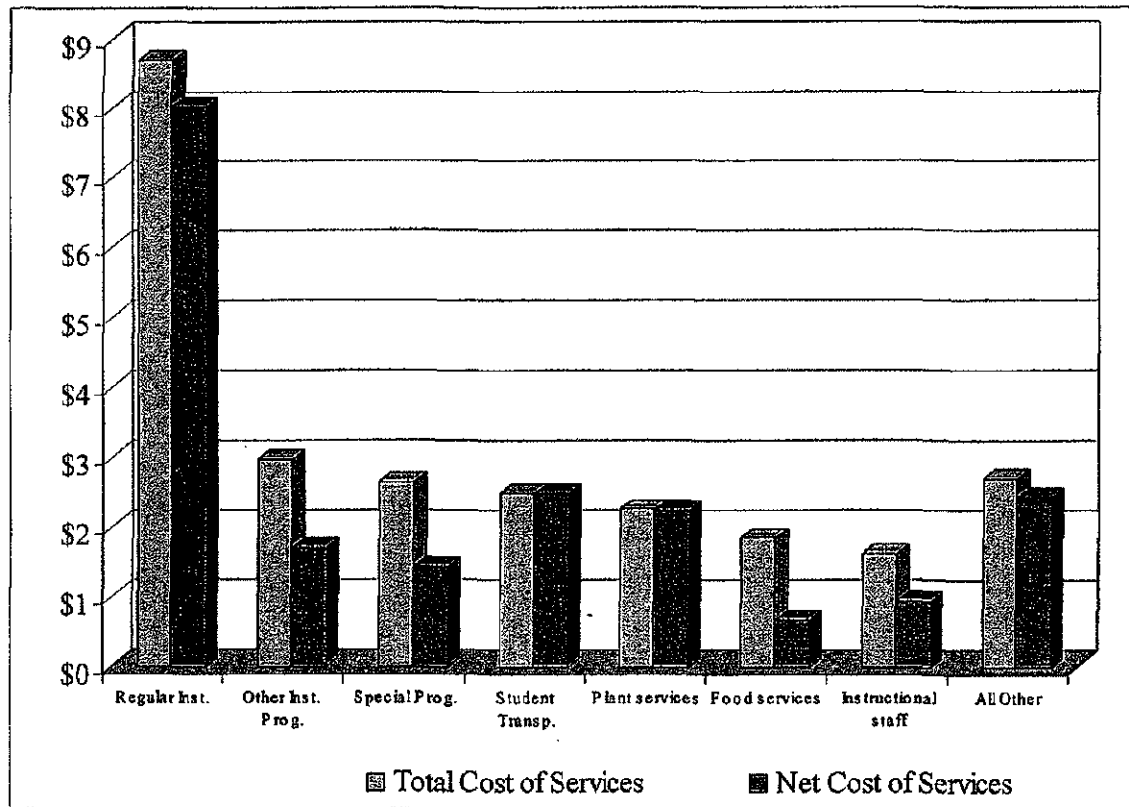
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Union Parish School Board

Management's Discussion and Analysis (MD&A)  
June 30, 2007

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2007  
Total Cost of Services  
Versus  
Net Cost of Services  
(in millions)



**THE SCHOOL BOARD'S FUNDS** As we noted earlier, the School Board uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the School Board is being accountable for the resources taxpayers and others provide to it but may also give you more insight into the School Board's overall financial health.

**General Fund Budgetary Highlights** The School Board revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. (A schedule showing the School Board's original and final budgets compared with the actual results is provided in the required supplemental information section of this report as Exhibit 1-1.)

The revisions to total revenues totaled an increase of \$704,547. Ad valorem taxes were adjusted after the final tax roll was complete and a decrease of \$103,806 was due to a decrease to taxable property values as stated earlier in which

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**Union Parish School Board**

**Management's Discussion and Analysis (MD&A)**

**June 30, 2007**

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several railroad car systems relocated. The School Board was able to increase interest earned due to the fact that investments were possible because of designations of monies and of fund balance. The MFP final budget letter also reflected an increase of \$28,201.

Budgeted expenditures were increased by \$205,013. The expenditure functions regular programs, school administration, plant services, and food services were actually decreased. Every effort was made to reduce expenditures in each category by the School Board. Transfers which were originally budgeted of \$200,000 were reduced to \$5,000. Salary codes were increased after the original budget was prepared, once staffing was finalized, which also affected other areas such as retirement, Medicare and group insurance, causing most categories to be increased.

**CAPITAL ASSET**

*Capital Assets* At June 30, 2007, the School Board had \$2,832,549 invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net increase (including additions, deductions and depreciation) of \$249,301, or 9.7 percent, from last year. Due to the closing of Rocky Branch, Lillie, and Linville schools, land and buildings of \$657,521 was reclassified as investment in land and buildings as shown on Statement A of the government-wide financial statements.

**Capital Assets  
June 30,**

|                         | <u>2007</u>        | <u>2006</u>        | <u>Change</u>    |
|-------------------------|--------------------|--------------------|------------------|
| Land                    | \$ 414,251         | \$ 414,251         | \$ 0             |
| Buildings               | 2,006,893          | 1,674,418          | 332,475          |
| Furniture and equipment | <u>411,405</u>     | <u>494,579</u>     | <u>(83,174)</u>  |
| Total                   | <u>\$2,832,549</u> | <u>\$2,583,248</u> | <u>\$249,301</u> |

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES** Our elected and appointed officials and citizens consider many factors when setting the School Board's 2007-2008 fiscal year budget and tax rates. The School Board's budgets are used to gain a better overview of the financial operations of the Board and to assist management in making decisions for daily and future operations.

Over 60% of the general fund revenues are from the MFP and approximately 90% of state revenues also come from MFP. MFP is driven by the student count in each parish along with each parish's local tax effort. Union Parish has been ranked #51 in local tax effort on the 2007-2008 MFP Budget Letter and with the additional 15 mills will qualify for Level 2 funds. The state average millage including debt is 41.03 and Union Parish has a current millage of 22.89. Union Parish is expecting reassessment in 2008 and in November, 2007 the voters of the parish voted to renew the current millages for a period of 5 years. Discussions continue regarding consolidation of junior high and high school programs while maintaining local elementary facilities, but at the present, no decision has been made. Some of the immediate pressure has been lifted from the Board with passage of the renewals. Also, the Board has recently received notification of a Type 2 charter school in the Rocky Branch area being approved by the BESE. This will also be a consideration when looking towards the future.



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**Union Parish School Board**

**Management's Discussion and Analysis (MD&A)**  
**June 30, 2007**

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Due to the hurricanes, Katrina and Rita, the 2007-2008 MFP funding allows for mid-year student adjustments. The MFP will begin using the May 1, 2007 membership count. If enrollments increase by 50 students or 1%, additional funding will be provided. Therefore, it is of vital importance that close attention be given to these counts through out the school year.

There is much to consider, as the School Board continues to look toward the future of education in Union Parish. In 1996, the parish enrollment was 4,017 students, in 2002, the enrollment was 3,495 and in 2006 enrollment was 3,040. The State Department provided some projected enrollments if the current trend does not end or level out and they projected that by 2010 the parish enrollment would reach a low of 2,740 students. It is of vital importance for the Board that staff continues to look at ways to draw withdrawn students back to the system as well as to attract new enrollments. Academics and discipline are two of the biggest areas of concern, while the building and grounds are also an issue. There has been discussion of an Alternative School combined with the Pre/Ged program that would assist in both of the above areas. The School Board needs to consider ways to protect student membership from further decline, and, as always, the 2007-2008 budget will have to be closely monitored.

The State Department is currently working with BESE and changes to the current MFP formula are possible for the 2007-2008 school year, but the School Board does not have the option of waiting for the State to address our funding issues. We continue to look toward the future and are hopeful the School Board and the citizens of Union Parish will unite to strengthen education for our children's futures.

**CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT** Our financial report is designed to provide our citizens, taxpayers, parents, students, and investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Donna Cranford, Business Manager, at Union Parish School Board, P. O. 308, Farmerville, Louisiana 71241-0308, telephone number (318) 368-9715.

**Union Parish School Board**

**BASIC FINANCIAL STATEMENTS:**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)**

UNION PARISH SCHOOL BOARD

STATEMENT OF NET ASSETS  
June 30, 2007

Statement A

GOVERNMENTAL  
ACTIVITIES

ASSETS

|   |                |
|---|----------------|
| Cash and cash equivalents                             | \$ 2,332,859   |
| Receivables (net)                                     | 1,356,561      |
| Inventory   | 83,046         |
| Investment in land and buildings                      | 657,521        |
| Capital assets not being depreciated                  |                |
| Land  | 414,251        |
| Capital assets being depreciated, net of depreciation |                |
| Buildings   | 2,006,893      |
| Furniture and equipment                               | <u>411,405</u> |

|              |                  |
|--------------|------------------|
| TOTAL ASSETS | <u>7,262,536</u> |
|--------------|------------------|

LIABILITIES

|                                       |                |
|---------------------------------------|----------------|
| Accounts, salaries and other payables | 1,787,221      |
| Deferred revenue                      | 31,894         |
| Long-term liabilities                 |                |
| Due within one year                   | 349,360        |
| Due in more than one year             | <u>404,926</u> |

|                   |                  |
|-------------------|------------------|
| TOTAL LIABILITIES | <u>2,573,401</u> |
|-------------------|------------------|

NET ASSETS

|   |                |
|---|----------------|
| Invested in capital assets, net of related debt | 2,832,549      |
| Restricted for:                                 |                |
| Salaries, benefits, and operations              | 496,622        |
| School Food Service                             | 200,880        |
| Maintenance and upkeep of school facilities     | 283,863        |
| Unrestricted                                    | <u>875,221</u> |

|                  |                     |
|------------------|---------------------|
| TOTAL NET ASSETS | <u>\$ 4,689,135</u> |
|------------------|---------------------|

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**UNION PARISH SCHOOL BOARD**

**STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2007**

**Statement B**

|  | PROGRAM REVENUES |               |               | NET (EXPENSE) |              |
|--|------------------|---------------|---------------|---------------|--------------|
|  | OPERATING        | CAPITAL       | REVENUE AND   |               |              |
|  | CHARGES FOR      | GRANTS AND    | GRANTS AND    | CHANGES IN    |              |
| EXPENSES   | SERVICES         | CONTRIBUTIONS | CONTRIBUTIONS | NET ASSETS    |              |
| FUNCTIONS/PROGRAMS   |                  |               |               |               |              |
| Governmental activities:                                     |                  |               |               |               |              |
| Instruction:   |                  |               |               |               |              |
| Regular programs   | \$ 8,703,520     | \$ 0          | \$ 360,493    | \$ 323,500    | (8,019,527)  |
| Special programs   | 2,650,350        |               | 1,224,743     |               | (1,425,607)  |
| Other instructional programs                                 | 2,978,719        |               | 1,269,655     |               | (1,709,064)  |
| Support services:  |                  |               |               |               |              |
| Student services   | 746,617          |               | 34,707        |               | (711,910)    |
| Instructional staff support                                  | 1,615,796        |               | 664,532       |               | (951,264)    |
| General administration                                       | 689,396          |               | 2,894         |               | (686,502)    |
| School administration  | 850,032          |               | 132,136       |               | (717,896)    |
| Business services  | 322,142          |               | 80,031        |               | (242,111)    |
| Plant services   | 2,256,814        |               | 12,159        |               | (2,244,655)  |
| Student transportation services                              | 2,481,044        |               | 0             |               | (2,481,044)  |
| Central services   | 84,789           |               | 12,397        |               | (72,392)     |
| Food services  | 1,849,695        | 177,097       | 1,003,235     |               | (669,363)    |
| Community service programs                                   | 12,610           |               | 655           |               | (11,955)     |
| Total Governmental Activities                                | 25,241,524       | 177,097       | 4,797,637     | 323,500       | (19,943,290) |
| General revenues:  |                  |               |               |               |              |
| Taxes:   |                  |               |               |               |              |
| Property taxes, levied for general purposes                  |                  |               |               |               | 2,060,659    |
| Sales taxes, levied for general purposes                     |                  |               |               |               | 4,272,775    |
| Grants and contributions not restricted to specific programs |                  |               |               |               |              |
| Minimum Foundation Program                                   |                  |               |               |               | 12,604,797   |
| Other unrestricted state                                     |                  |               |               |               | 127,629      |
| Interest and investment earnings                             |                  |               |               |               | 180,159      |
| Miscellaneous  |                  |               |               |               | 341,627      |
| Total general revenues                                       |                  |               |               |               | 19,587,646   |
| Changes in net assets  |                  |               |               |               | (355,644)    |
| Net assets - beginning                                       |                  |               |               |               | 5,044,779    |
| Net assets - ending  |                  |               |               |               | \$ 4,689,135 |

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**Union Parish School Board**

**BASIC FINANCIAL STATEMENTS:**

**FUND FINANCIAL STATEMENTS (FFS)**

**UNION PARISH SCHOOL BOARD**

**GOVERNMENTAL FUNDS**

**Balance Sheet**

**June 30, 2007**

**Statement C**

|  | <u>GENERAL</u>                 | <u>OTHER<br/>GOVERNMENTAL</u>  | <u>TOTAL</u>                   |
|--|--------------------------------|--------------------------------|--------------------------------|
| <b>ASSETS</b>                                      |                                |                                |                                |
| Cash and cash equivalents                          | \$ 1,732,540                   | \$ 600,319                     | \$ 2,332,859                   |
| Receivables  | 74,486                         | 1,282,075                      | 1,356,561                      |
| Interfund receivables                              | 989,244                        | 112,669                        | 1,101,913                      |
| Inventory  | <u>0</u>                       | <u>83,046</u>                  | <u>83,046</u>                  |
| <br>TOTAL ASSETS                                   | <br><u>2,796,270</u>           | <br><u>2,078,109</u>           | <br><u>4,874,379</u>           |
| <br><b>LIABILITIES AND FUND BALANCES</b>           |                                |                                |                                |
| <b>Liabilities:</b>                                |                                |                                |                                |
| Accounts, salaries and other payables              | 1,711,615                      | 75,606                         | 1,787,221                      |
| Interfund payables                                 | 112,669                        | 989,244                        | 1,101,913                      |
| Deferred revenues                                  | <u>0</u>                       | <u>31,894</u>                  | <u>31,894</u>                  |
| <br>Total Liabilities                              | <br><u>1,824,284</u>           | <br><u>1,096,744</u>           | <br><u>2,921,028</u>           |
| <br><b>Fund Balances:</b>                          |                                |                                |                                |
| Reserved for:                                      |                                |                                |                                |
| Inventory  | 0                              | 51,152                         | 51,152                         |
| Unreserved, reported in:                           |                                |                                |                                |
| General Fund - Undesignated                        | 971,986                        | 0                              | 971,986                        |
| Special Revenue Funds                              | <u>0</u>                       | <u>930,213</u>                 | <u>930,213</u>                 |
| <br>Total Fund Balances                            | <br><u>971,986</u>             | <br><u>981,365</u>             | <br><u>1,953,351</u>           |
| <br><b>TOTAL LIABILITIES AND<br/>FUND BALANCES</b> | <br><u><b>\$ 2,796,270</b></u> | <br><u><b>\$ 2,078,109</b></u> | <br><u><b>\$ 4,874,379</b></u> |

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**UNION PARISH SCHOOL BOARD**  
**Reconciliation of the Governmental Funds**  
**Balance Sheet to the Statement of Net Assets**  
**June 30, 2007**

**Statement D**

|  |    |           |
|--|----|-----------|
| Total fund balances - governmental funds | \$ | 1,953,351 |
|--|----|-----------|

The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Assets includes those capital assets among the assets of the School Board as a whole. The cost of those capital assets allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

|                              |    |                    |           |
|------------------------------|----|--------------------|-----------|
| Costs of capital assets      | \$ | 12,052,450         |           |
| Depreciation expense to date |    | <u>(9,219,901)</u> |           |
|                              |    |                    | 2,832,549 |

|                                  |  |         |
|----------------------------------|--|---------|
| Investment in land and buildings |  | 657,521 |
|----------------------------------|--|---------|

Long-term liabilities applicable to the School Board's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long term - are reported in the Statement of Net Assets.

Balances at June 30, 2007 are:

|                              |  |                  |  |
|------------------------------|--|------------------|--|
| Long-term liabilities        |  |                  |  |
| Compensated absences payable |  | <u>(754,286)</u> |  |

|                                      |    |                  |
|--------------------------------------|----|------------------|
| Net Assets - Governmental Activities | \$ | <u>4,689,135</u> |
|--------------------------------------|----|------------------|

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**UNION PARISH SCHOOL BOARD**  
**GOVERNMENTAL FUNDS**  
**Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**For the Year Ended June 30, 2007**

|  | Statement E             |                         |                         |
|--|-------------------------|-------------------------|-------------------------|
|  | GENERAL                 | OTHER<br>GOVERNMENTAL   | TOTAL                   |
| <b>REVENUES</b>  |                         |                         |                         |
| Local sources:   |                         |                         |                         |
| Taxes:   |                         |                         |                         |
| Ad valorem   | \$ 1,917,095            | \$ 143,584              | \$ 2,060,659            |
| Sales and use  | 0                       | 4,272,775               | 4,272,775               |
| Interest earnings  | 95,353                  | 84,806                  | 180,159                 |
| Food services  | 0                       | 177,097                 | 177,097                 |
| Other  | 269,046                 | 72,581                  | 341,627                 |
| State sources:   |                         |                         |                         |
| Equalization   | 12,229,141              | 375,656                 | 12,604,797              |
| Other  | 537,082                 | 990,675                 | 1,527,757               |
| Federal sources  | 0                       | 3,721,009               | 3,721,009               |
| <br>Total Revenues   | <br><u>15,047,717</u>   | <br><u>9,838,163</u>    | <br><u>24,885,880</u>   |
| <br><b>EXPENDITURES</b>  |                         |                         |                         |
| Current:   |                         |                         |                         |
| Instruction:   |                         |                         |                         |
| Regular programs   | 6,328,364               | 2,066,642               | 8,395,006               |
| Special programs   | 1,594,277               | 1,046,972               | 2,641,249               |
| Other instructional programs                                     | 794,511                 | 2,152,354               | 2,946,865               |
| Support services:  |                         |                         |                         |
| Student services   | 601,431                 | 145,186                 | 746,617                 |
| Instructional staff support                                      | 776,300                 | 821,294                 | 1,597,594               |
| General administration   | 421,727                 | 267,669                 | 689,396                 |
| School administration  | 717,713                 | 132,319                 | 850,032                 |
| Business services  | 213,512                 | 108,630                 | 322,142                 |
| Plant services   | 1,082,396               | 1,147,115               | 2,229,511               |
| Student transportation services                                  | 2,151,281               | 284,258                 | 2,435,539               |
| Central services   | 71,204                  | 13,585                  | 84,789                  |
| Food services  | 56,311                  | 1,766,078               | 1,822,389               |
| Community service programs                                       | 12,610                  | 0                       | 12,610                  |
| Capital outlay   | 706,716                 | 0                       | 706,716                 |
| <br>Total Expenditures   | <br><u>15,528,353</u>   | <br><u>9,952,102</u>    | <br><u>25,480,455</u>   |
| <br><b>EXCESS (Deficiency) OF REVENUES<br/>OVER EXPENDITURES</b> | <br><u>\$ (480,636)</u> | <br><u>\$ (113,939)</u> | <br><u>\$ (594,575)</u> |

(CONTINUED)



UNION PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended June 30, 2007

|   | Statement E |                       |              |
|---|-------------|-----------------------|--------------|
|   | GENERAL     | OTHER<br>GOVERNMENTAL | TOTAL        |
| OTHER FINANCING SOURCES (USES)          |             |                       |              |
| Transfers in                            | \$ 0        | \$ 640,221            | \$ 640,221   |
| Transfers out                           | 0           | (640,221)             | (640,221)    |
| Total Other Financing<br>Sources (Uses) | 0           | 0                     | 0            |
| Net Change in Fund Balances             | (480,636)   | (113,939)             | (594,575)    |
| FUND BALANCES - BEGINNING               | 1,452,622   | 1,095,304             | 2,547,926    |
| FUND BALANCES - ENDING                  | \$ 971,986  | \$ 981,365            | \$ 1,953,351 |

(CONCLUDED)

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**UNION PARISH SCHOOL BOARD**

**Reconciliation of the Governmental Funds  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
to the Statement of Activities  
For the Year Ended June 30, 2007**

**Statement F**

|  |    |           |
|--|----|-----------|
| Total net change in fund balances - governmental funds | \$ | (594,575) |
|--|----|-----------|

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlays in the period:

|                      |              |         |
|----------------------|--------------|---------|
| Depreciation expense | (\$450,214 ) |         |
| Capital outlays      | 706,716      | 256,502 |

|                        |  |         |
|------------------------|--|---------|
| Loss on capital assets |  | (7,201) |
|------------------------|--|---------|

In the Statement of Activities, certain operating expenses-compensated absences (vacations and sick leave) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation and sick time earned \$ 359,730 exceeded the amounts used (\$349,360) by \$ 10,370

(10,370)

|   |    |                  |
|---|----|------------------|
| Change in net assets of governmental activities | \$ | <u>(355,644)</u> |
|---|----|------------------|

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

UNION PARISH SCHOOL BOARD  
FIDUCIARY FUND  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
June 30, 2007

Statement G

|                           | <u>AGENCY<br/>FUND</u> |
|---------------------------|------------------------|
| ASSETS                    |                        |
| Cash and cash equivalents | \$ <u>333,848</u>      |
| Total assets              | <u>333,848</u>         |
| LIABILITIES               |                        |
| Deposits due others       | <u>333,848</u>         |
| Total liabilities         | \$ <u>333,848</u>      |

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**Union Parish School Board**  
**Notes to the Basic Financial Statements**

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**Union Parish School Board**  
**Notes to the Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** The accompanying financial statements of the Union Parish School Board have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles in the United States of America.

**A. REPORTING ENTITY** The Union Parish School Board was created by Louisiana Revised Statute LSA-R.S. 17:51 to provide public education for the children within Union Parish. The School Board is authorized by LSA-R.S. 17:81 to establish policies and regulations for its own government consistent with the laws of the State of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is comprised of nine members who are elected from nine districts for terms of four years.

The School Board operates seven schools within the parish with a total enrollment of approximately 3,093 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the School Board is considered a *primary government*, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the School Board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The School Board also has no *component units*, defined by GASB Statement 14 as other legally separate organizations for which the elected School Board members are financially accountable. There are no other primary governments with which the School Board has a significant relationship.

**B. FUNDS** The accounts of the School Board are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

Funds of the School Board are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

**Governmental Funds** Governmental funds are used to account for the School Board's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets, and the servicing of long-term debt. The School Board reports the following major governmental fund:

**General fund** - the primary operating fund of the School Board. It accounts for all financial resources of the School Board, except those required to be accounted for in another fund.

**Union Parish School Board  
Notes to the Basic Financial Statements**

**Fiduciary Funds** Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the School Board. Trust funds account for assets held by the government under the terms of a normal trust agreement.

*Agency Funds* are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. This fund is used to account for assets that the government holds for others in an agency capacity. These agency funds are as follows:

**School activity agency fund** - accounts for assets held by the School Board as an agent for the individual schools and school organizations.

**Sales tax collection agency fund** - accounts for monies collected on behalf of other taxing authorities within the parish.

**C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

**Government-Wide Financial Statements (GWFS)** The Statement of Net Assets and the Statement of Activities displays information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Assets and Liabilities at the fund financial statement level.

The Statement of Net Assets and the Statement of Activities was prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

**Program revenues** Program revenues include 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions; program revenues reduce the cost of the function to be financed from the School Board's general revenues. Charges for services are primarily derived from cafeteria sales. Operating grants and contributions consist of the many educational grants received from the federal and state government.

**Allocation of indirect expenses** The School Board reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately in the Statement of Activities.

**Fund Financial Statements (FFS)**

**Governmental Funds** The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60

**Union Parish School Board**  
**Notes to the Basic Financial Statements**

days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

**Revenues**

**Ad valorem taxes** recognized when all applicable eligibility requirements are met and are available.

**Sales taxes** are recognized when the underlying exchange takes place and the resources are available.

**Entitlements and shared revenues** (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met.

**Other receipts** become measurable and available when cash is received by the School Board and are recognized as revenue at that time.

**Expenditures**

**Salaries** are recorded as paid. Salaries for nine-month employees are accrued at June 30.

**Other Financing Sources (Uses)** Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

**Fiduciary Funds** The *agency fund* is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting.

**D. CASH AND CASH EQUIVALENTS** Cash includes amounts in demand deposits and interest-bearing demand deposits, and time deposit accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the School Board may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the School Board may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

**Union Parish School Board**  
**Notes to the Basic Financial Statements**

**E. INVESTMENTS** Investments are limited by LSA-R.S. 33:2955 and the School Board's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

Investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure as per GASB Statement No. 31.

**F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES** During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

**G. ELIMINATION AND RECLASSIFICATIONS** In the process of aggregating data for the statement of net assets and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivable and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

**H. INVENTORY** Inventories of the governmental fund-type are recorded as expenditures as purchased except for inventory of the school food service fund.

Inventories of the school food service fund (special revenue fund) consist of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. The commodities are recorded as revenues when received (issued); however, all inventory items are recorded as expenditures when consumed. All purchased inventory items are valued at cost using the first-in, first-out (FIFO) method. The value of commodities inventory is the assigned values provided by the United States Department of Agriculture.

**I. CAPITAL ASSETS** Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed and depreciated over their estimated useful lives (including salvage value). The capitalization threshold is \$1,000. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

|                         |               |
|-------------------------|---------------|
| Buildings               | 10 - 40 years |
| Furniture and equipment | 3 - 10 years  |

**J. DEFERRED REVENUES** Deferred revenues arise when resources are received by the School Board before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the School Board has a legal claim to the resources, the liability for deferred revenue is removed and the revenue is recognized.

**K. COMPENSATED ABSENCES** All 12-month employees earn ten days of cumulative vacation leave each year, based upon years of service. A maximum of 15 days may be carried over. Upon separation of employment, all unused vacation leave is forfeited.



**Union Parish School Board**  
**Notes to the Basic Financial Statements**

All 12-month employees earn from 12 to 18 days of sick leave each year, depending on their length of service with the School Board, and 9-month employees earn ten days of sick leave each year. Sick leave can be accumulated without limitation. Upon retirement or death, unused accumulated sick leave of up to 25 days is paid to the employee or to the employee's estate at the employee's current rate of pay. Under the Louisiana Teachers' Retirement System and the Louisiana School Employees' Retirement System, all unpaid sick leave is used in the retirement benefit computation as earned service.

The School Board's recognition and measurement criteria for compensated absences follow:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as liability as the benefits are earned by the employees if both of the following conditions are met:

- A. The employees' right to receive compensation is attributable to services already rendered.
- B. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

GASB Statement No. 16 provides that a liability for sick leave should be accrued using one of the following termination approaches:

- A. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
- B. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

Sabbatical leave benefits are recorded as expenditures in the period paid.

**L. RESTRICTED NET ASSETS** For the government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;

Imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

**M. FUND EQUITY OF FUND FINANCIAL STATEMENTS**

**Reserves** Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose.

**Designated Fund Balances** Designations of fund balance represent tentative management plans that are subject to change.

**Union Parish School Board  
Notes to the Basic Financial Statements**

**N. INTERFUND ACTIVITY** Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and or subject to elimination upon consolidation. Services provided, deemed to be at market or near market rate, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the governmental-wide financial statements.

**O. SALES TAXES** The voters of Union Parish approved on May 19, 1979, a one percent sales tax to be collected within Union Parish. The tax is for an indefinite period of time. The proceeds from the tax are dedicated for salaries and retirement benefits for school teachers and other school employees and/or for maintaining and operating school buildings, facilities, and equipment. The costs of collecting and administering the tax are paid from the sales tax special revenue fund.

The voters of Union Parish approved on January 20, 2001, a one percent sales tax to be collected within Union Parish. The tax is for an indefinite period of time. Eighty-five percent of the proceeds from the tax are dedicated for salaries and benefits of teachers and other school employees. The remaining fifteen percent is dedicated for constructing, improving, maintaining and operating public schools. The School Board has the authority to fund a portion of the sales tax into bonds.

**P. ENCUMBRANCES** Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded.

**Q. USE OF ESTIMATES** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Excess of Expenditures Over Appropriations in Individual Fund** The following individual fund had actual expenditures over budgeted expenditures for the year ended June 30, 2007:

| <u>Fund</u>  | <u>Budget</u> | <u>Actual</u> | <u>Unfavorable<br/>Variance</u> |
|--------------|---------------|---------------|---------------------------------|
| General Fund | \$15,162,345  | \$15,528,353  | \$366,008                       |

Actual expenditures exceeded appropriations as a result of unanticipated capital outlay expenditures occurring with completion of the Parish Civic Center (new gym). The School Board received state funds in the form of a capital grant to complete the project.

**Union Parish School Board**  
**Notes to the Basic Financial Statements**

**NOTE 3 - LEVIED TAXES** The School Board levies taxes on real and business personal property located within Union Parish's boundaries. Property taxes are levied by the School Board on property values assessed by the Union Parish tax assessor and approved by the State of Louisiana Tax Commission.

The Union Parish sheriff's office bills and collects property taxes for the School Board. Collections are remitted to the School Board monthly.

Property Tax Calendar

|   |                   |
|---|-------------------|
| Millage rates adopted                     | May 8, 2006       |
| Levy date                                 | January 1, 2006   |
| Tax bills mailed                          | November 15, 2006 |
| Due date                                  | December 31, 2006 |
| Lien date                                 | January 01, 2007  |
| Tax sales date – 2006 delinquent property | May, 2007         |

Assessed values are established by the Union Parish Tax Assessor each year on a uniform basis at the following ratios of assessed value to fair market value:

|                              |   |
|------------------------------|---|
| 10% land                     | 15% machinery                                 |
| 10% residential improvements | 15% commercial improvements                   |
| 15% industrial improvements  | 25% public service properties, excluding land |

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2004. Total assessed value was \$120,567,770 in calendar year 2006. Louisiana state law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$31,643,469 of the assessed value in calendar year 2006.

State law requires the sheriff to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of 1.25% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the sheriff is required by the *Constitution of the State of Louisiana* to sell the least quantity of property necessary to settle the taxes and interest owed.

All property taxes are recorded in the general and District A special revenue fund. Revenues in such funds are recognized in the accounting period in which an enforceable legal claim arises. Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. The School Board uses the lien date to establish the enforceable legal claim date.

The tax roll is not prepared by the parish tax assessor until November of each year; therefore, the amount of 2007 property taxes to be collected within the next year is not known. As a result, no property taxes receivable for 2007 taxes is included on the accompanying combined balance sheet.

**Union Parish School Board**  
**Notes to the Basic Financial Statements**

The following is a summary of authorized and levied (tax rate per \$1,000 assessed value) ad valorem taxes:

|   | <u>Authorized<br/>Millage</u> | <u>Levied<br/>Millage</u> | <u>Expiration<br/>Date</u> |
|---|-------------------------------|---------------------------|----------------------------|
| Parish-wide taxes:                              |                               |                           |                            |
| Constitutional                                  | 3.42                          | 3.27                      | Statutory                  |
| Maintenance (School District A)                 | 1.72                          | 1.64                      | 2008                       |
| Maintenance (Special tax)                       | 2.98                          | 2.98                      | 2009                       |
| Maintenance and operations (3-year 15 mill tax) | 15.0                          | 15.0                      | 2007                       |

**NOTE 4 - DEPOSITS** At June 30, 2007, the School Board has cash and cash equivalents of \$2,666,707 as follows:

Deposits are stated at cost, which approximates fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

**Custodial credit risk:** At year end, the School Board's carrying amount of deposits was \$2,666,707 (Statement A - \$2,332,859 and Statement G - \$333,848) and the bank balance was \$4,628,778. Of the bank balance, \$203,824 was covered by federal depository insurance or by collateral held by the School Board's agent in the School Board's name (GASB Category 1). The remaining bank balance of \$4,424,954 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the School Board's name (GASB Category 3). Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell pledged securities within 10 days of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon demand.

**NOTE 5 - RECEIVABLES** The receivables at June 30, 2007, are as follows:

| <u>Class of Receivables</u> | <u>General</u>   | <u>Other<br/>Governmental</u> | <u>Total</u>        |
|-----------------------------|------------------|-------------------------------|---------------------|
| Taxes:                      |                  |                               |                     |
| Ad Valorem                  | \$ 39,709        | \$ 3,100                      | \$ 42,809           |
| Sales Tax                   | -                | 450,158                       | 450,158             |
| Intergovernmental-          |                  |                               |                     |
| grants                      |                  |                               |                     |
| Federal                     | -                | 598,539                       | 598,539             |
| State                       | 33,670           | 214,025                       | 247,695             |
| Other                       | 1,107            | 16,253                        | 17,360              |
| Total                       | <u>\$ 74,486</u> | <u>\$ 1,282,075</u>           | <u>\$ 1,356,561</u> |

The School Board expects to collect these balances in full; therefore, no allowance for doubtful accounts was established.

**Union Parish School Board**  
**Notes to the Basic Financial Statements**

**NOTE 6 - CAPITAL ASSETS** Capital asset balances and activity for the year ended June 30, 2007, is as follows:

|   | Balance<br>Beginning | Additions  | Deletions | Balance<br>Ending |
|---|----------------------|------------|-----------|-------------------|
| Governmental activities                     |                      |            |           |                   |
| Capital asset not being depreciated         |                      |            |           |                   |
| Land  | \$ 414,251           | \$ -       | \$ -      | \$ 414,251        |
| Total capital assets not being depreciated  | 414,251              | -          | -         | 414,251           |
| Capital assets being depreciated            |                      |            |           |                   |
| Buildings                                   | 7,187,082            | 417,008    | -         | 7,604,090         |
| Furniture and equipment                     | 3,821,004            | 289,708    | 76,603    | 4,034,109         |
| Total capital assets being depreciated      | 11,008,086           | 706,716    | 76,603    | 11,638,199        |
| Accumulated depreciation                    |                      |            |           |                   |
| Buildings                                   | 5,512,664            | 84,533     | -         | 5,597,197         |
| Furniture and equipment                     | 3,326,425            | 365,681    | 69,402    | 3,622,704         |
| Total accumulated depreciation              | 8,839,089            | 450,214    | 69,402    | 9,219,901         |
| Total capital assets being depreciated, net | 2,168,997            | 256,502    | 7,201     | 2,418,298         |
| Governmental activities                     |                      |            |           |                   |
| Capital assets, net                         | \$ 2,583,248         | \$ 256,502 | \$ 7,201  | \$ 2,832,549      |

Depreciation expense was charged to governmental activities as follows:

|                                 |                   |
|---------------------------------|-------------------|
| Regular programs                | \$ 290,943        |
| Special programs                | 9,101             |
| Other instructional programs    | 31,854            |
| Instructional staff support     | 18,202            |
| Plant services                  | 27,303            |
| Student transportation services | 45,505            |
| Food services                   | 27,306            |
| Total depreciation expense      | <u>\$ 450,214</u> |

**NOTE 7 - RETIREMENT SYSTEMS**

**Plan description** Substantially all School Board employees participate in either the Teachers' Retirement System or the School Employees' Retirement System (the Systems), which are cost-sharing, multiple-employer public employee retirement systems (PERS). Benefit provisions are ultimately approved and amended by the Louisiana Legislature.

Participation in the Teachers' Retirement System is divided into two plans - the Teachers' Regular Plan and the Teachers' Plan A. In general, professional employees (such as teachers and principals) and lunchroom workers are members of the Louisiana Teachers' Retirement System (TRS); other employees, such as custodial personnel and bus drivers, are members of the Louisiana School Employees' Retirement System (LSERS). Generally, all full-time employees are eligible to participate in the system.

With respect to the Teachers' Retirement System Regular Plan, normal retirement is at age 60 with ten years of service, or at any age with 20 years of service. The formula for annual maximum retirement benefits is generally two

**Union Parish School Board**  
**Notes to the Basic Financial Statements**

percent (with less than 25 years of service) or 2.5 percent (with 25 or more years of service) times the years of creditable service times the average salary of the 36 highest successive months (plus \$300 applicable to persons becoming members prior to July 1, 1986).

Under the Teachers' Retirement System Plan A, normal retirement is generally at any age with 30 or more years of creditable service, at age 55 with at least 25 years of creditable service and at age 60 with at least ten years of creditable service. The retirement benefit formula is generally three percent times the years of creditable service times the average salary of the 36 highest successive months plus \$24 per year of service.

Employees participating in the School Employees' Retirement System are eligible for normal retirement after 30 years of service, or after 25 years of service at age 55 or after ten years of service at age 60. The maximum retirement allowance is computed at 2.5 percent times the highest thirty-six months of average salary, times the years of service plus a supplement of \$2.00 per month times the years of service.

Both TRS and LSERS issue annual financial reports. The reports can be obtained by telephoning or writing to the following:

Teachers' Retirement System of Louisiana  
 Post Office Box 94123  
 Baton Rouge, Louisiana 70804-9123  
 (225) 925-6446

Louisiana School Employees' Retirement System  
 Post Office Box 44516  
 Baton Rouge, Louisiana 70804  
 (225) 925-6484

**Funding Policy** Each system is administered and controlled at the state level by a separate board of trustees, with contribution rates approved and amended by the Louisiana Legislature. Benefits of the systems are funded by employee and employer contributions. Benefits granted by the retirement systems are guaranteed by the state of Louisiana under provisions of the Louisiana Constitution of 1974. The School Board's employer contribution for the TRS is funded by deductions from local ad valorem taxes, and by remittances from the School Board. For the LSERS, the School Board's employer contribution is funded by the state of Louisiana through annual appropriations.

In addition, the employer does not remit to the Teachers' Retirement System, Regular Plan or Plan A, the employer's contribution for the professional improvement program (PIP) portion of payroll. The PIP contribution is made directly to the Retirement System by the state of Louisiana.

Contribution rates (as a percentage of covered salaries) for active plan members as established by the Louisiana Legislature for the year ended June 30, 2007 are as follows:

|   | <u>Employee</u> | <u>Employer</u> |
|---|-----------------|-----------------|
| Louisiana Teachers' Retirement System:        |                 |                 |
| Regular                                       | 8.00%           | 15.80%          |
| Plan A  | 9.10%           | 15.80%          |
| Louisiana School Employees' Retirement System | 7.50%           | 19.60%          |

**Union Parish School Board**  
**Notes to the Basic Financial Statements**

Total covered payroll of the School Board for TRS - Regular Plan, TRS - Plan A, and LSERS for the year ended June 30, 2007, amounted to \$12,320,004, \$29,957 and \$1,400,596 respectively. Employer annual required contributions for the year ended June 30, 2007, and each of the two preceding years are as follows:

| <u>Fiscal Year Ended</u> | <u>TRS</u>  | <u>LSERS</u> |
|--------------------------|-------------|--------------|
| June 30, 2005            | \$1,741,355 | \$190,740    |
| June 30, 2006            | 1,757,918   | 237,367      |
| June 30, 2007            | 1,954,527   | 266,509      |

The annual required contributions were paid.

**NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS** In accordance with state statutes, the School Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits for retirees and similar benefits for active employees are provided through the State Employees' Group Benefits Program. The monthly premiums are paid jointly by the employee and by the School Board. The School Board's portion of the cost is recognized as expenditure when the monthly premium is paid. For the year ended June 30, 2007, the cost of retiree benefits totaled \$1,229,844 for 246 retirees.

**NOTE 9 - ACCOUNTS, SALARIES AND OTHER PAYABLES** The payables at June 30, 2007, are as follows:

|          | <u>General</u>      | <u>Other<br/>Governmental</u> | <u>Total</u>        |
|----------|---------------------|-------------------------------|---------------------|
| Salaries | \$ 1,563,902        | \$ -                          | \$ 1,563,902        |
| Accounts | 147,713             | 75,606                        | 223,319             |
| Total    | <u>\$ 1,711,615</u> | <u>\$ 75,606</u>              | <u>\$ 1,787,221</u> |

**NOTE 10 - COMPENSATED ABSENCES** At June 30, 2007 employees of the School Board have accumulated and vested \$754,286 of employee leave benefits, including \$10,781 of salary-related benefits. These employee leave benefits were computed in accordance with GASB Codification Section C60.

**NOTE 11 - AGENCY FUND DEPOSITS DUE OTHERS (FFS LEVEL ONLY)** A summary of changes in agency fund deposits due others follows:

|                          | <u>Balance at<br/>Beginning<br/>of year</u> | <u>Additions</u>    | <u>Deletions</u>    | <u>Balance<br/>at Ending<br/>of year</u> |
|--------------------------|---|---------------------|---------------------|--|
| Agency Funds:            |   |                     |                     |  |
| School activities agency | \$ 315,733                                  | \$ 1,060,041        | \$ 1,041,926        | \$ 333,848                               |
| Sales tax agency         | -   | 10,365,908          | 10,365,908          | -  |
| Total                    | <u>\$ 315,733</u>                           | <u>\$11,425,949</u> | <u>\$11,407,834</u> | <u>\$ 333,848</u>                        |

**Union Parish School Board**  
**Notes to the Basic Financial Statements**

**NOTE 12 - LONG-TERM LIABILITIES** The following is a summary of the long-term obligation transactions for the year ended June 30, 2007:

|                         | Beginning<br>Balance | Additions  | Deletions  | Ending<br>Balance | Amounts Due<br>Within One<br>year |
|-------------------------|----------------------|------------|------------|-------------------|-----------------------------------|
| Governmental Activities |                      |            |            |                   |                                   |
| Other liabilities:      |                      |            |            |                   |                                   |
| Compensated absences    | \$ 743,916           | \$ 359,730 | \$ 349,360 | \$ 754,286        | \$ 349,360                        |
| Governmental activities |                      |            |            |                   |                                   |
| Long-term liabilities   | \$ 743,916           | \$ 359,730 | \$ 349,360 | \$ 754,286        | \$ 349,360                        |

The compensated absences liability attributable to the governmental activities will be liquidated 100% by the General fund.

**NOTE 13 - INTERFUND ASSETS/LIABILITIES (FFS LEVEL ONLY)** Interfund receivable/payable at June 30, 2007:

| Receivable Fund    | Amount       | Payable Fund       | Amount       |
|--------------------|--------------|--------------------|--------------|
| General            | \$ 989,244   | Other Governmental | \$ 989,244   |
| Other Governmental | 112,669      | General Fund       | 112,669      |
| Total              | \$ 1,101,913 |                    | \$ 1,101,913 |

The purpose of the interfund assets/liabilities were to cover current-year expenditures on cost reimbursement programs until the reimbursement requisitions are deposited.

**NOTE 14 - RESERVED AND DESIGNATED FUND BALANCES (FFS LEVEL ONLY)**

**Reservations:**

**Inventory** This amount represents the portion of fund balance relating to inventory on hand which is therefore unavailable to be expended for other purposes.

**Designated Funds** These are funds the School Board has designated for fuel, buses, worker's compensation and property insurance costs.

**NOTE 15 - INTERFUND TRANSFERS** Operating transfers for the year ended June 30, 2007, were as follows:

| Receivable Fund    | Payable Fund       | Transfer  |
|--------------------|--------------------|-----------|
| Other Governmental | Other Governmental | \$640,221 |
| Total              |                    | \$640,221 |

The purpose of interfund transfers was mainly to transfer sales tax to appropriate funds.



**Union Parish School Board**  
**Notes to the Basic Financial Statements**

**NOTE 16 - LITIGATION AND CLAIMS**

**Litigation** At June 30, 2007, the School Board is involved in a few matters involving litigation. It is the opinion of the legal advisor for the School Board that ultimate resolution of these lawsuits would not materially affect the financial statements.

**Grant Disallowances** The School Board participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. School Board management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

**Tax Arbitrage Rebate** Under the Tax Reform Act of 1986, interest earned on the debt proceeds in excess of interest expense prior to the disbursement of the proceeds must be rebated to the Internal Revenue Service (IRS). Management believes there is no tax arbitrage rebate liability at year end.

**NOTE 17 - ON-BEHALF PAYMENTS** On-behalf payments for fringe benefits and salaries are direct payments made by an entity (the paying agent) to a third-party recipient for the employees of another, legally separate entity (the employer entity). GASB Statement No. 24 requires employer governments to recognize revenue and expenditures or expenses for these on-behalf payments.

The state of Louisiana made pension contributions (regarding Professional Improvement Program) directly to the Teachers' Retirement System of Louisiana on behalf of the School Board in the amount of \$5,947. This amount was recognized as state revenue and a corresponding expenditure in the applicable fund from which the salary was paid.

**NOTE 18 - RISK MANAGEMENT** The School Board is at risk for property damage, liability and theft which are covered by insurance policies.

**NOTE 19 - ECONOMIC DEPENDENCY** Statement of Financial Accounting Standards (SFAS) No. 14 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entities revenue. The Minimum Foundation funding provided by the state to all public school systems in Louisiana is primarily based on October 1 student count. The state provided \$12,604,797 to the School Board, which represents approximately 51% of the School Board's total revenue for the year.

**Union Parish School Board**

**REQUIRED SUPPLEMENTAL INFORMATION**

**Union Parish School Board**

**Budgetary Comparison Schedule**

**General Fund**

**GENERAL FUND** The general fund accounts for all activities of the School Board except those that are accounted for in other funds.

**UNION PARISH SCHOOL BOARD**

**GENERAL FUND**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2007**

**Exhibit 1-1**

|                                      | <u>BUDGETED AMOUNTS</u> |                   | <u>ACTUAL</u>     | <u>VARIANCE WITH</u> |
|--------------------------------------|-------------------------|-------------------|-------------------|----------------------|
|                                      | <u>ORIGINAL</u>         | <u>FINAL</u>      | <u>AMOUNTS</u>    | <u>FINAL BUDGET</u>  |
|                                      |                         |                   |                   | <u>POSITIVE</u>      |
|                                      |                         |                   |                   | <u>(NEGATIVE)</u>    |
| BUDGETARY FUND BALANCES, BEGINNING   | \$ 438,295              | \$ 729,763        | \$ 1,452,622      | \$ 722,859           |
| Resources (inflows)                  |                         |                   |                   |                      |
| Local sources:                       |                         |                   |                   |                      |
| Ad valorem taxes                     | 2,020,901               | 1,917,095         | 1,917,095         | 0                    |
| Interest earnings                    | 55,697                  | 95,353            | 95,353            | 0                    |
| Other                                | 173,605                 | 271,412           | 269,046           | (2,366)              |
| State sources:                       |                         |                   |                   |                      |
| Equalization                         | 12,200,940              | 12,229,141        | 12,229,141        | 0                    |
| Other                                | 178,237                 | 515,658           | 537,082           | 21,424               |
| Federal sources                      | 16,200                  | 0                 | 0                 | 0                    |
| Transfers from other funds           | 0                       | 30,000            | 0                 | (30,000)             |
| Amounts available for appropriations | <u>15,083,875</u>       | <u>15,788,422</u> | <u>16,500,339</u> | <u>711,917</u>       |
| Charges to appropriations (outflows) |                         |                   |                   |                      |
| Instruction:                         |                         |                   |                   |                      |
| Regular programs                     | 6,837,149               | 6,669,202         | 6,328,364         | 340,838              |
| Special education programs           | 1,503,682               | 1,594,278         | 1,594,277         | 1                    |
| Other instructional programs         | 679,728                 | 789,376           | 794,511           | (5,135)              |
| Support services:                    |                         |                   |                   |                      |
| Student services                     | 552,587                 | 601,431           | 601,431           | 0                    |
| Instructional staff support          | 670,847                 | 776,301           | 776,300           | 1                    |
| General administration               | 398,164                 | 421,724           | 421,727           | (3)                  |
| School administration                | 718,329                 | 717,712           | 717,713           | (1)                  |
| Business services                    | 199,793                 | 213,512           | 213,512           | 0                    |
| Plant services                       | 1,228,719               | 1,082,399         | 1,082,396         | 3                    |
| Student transportation services      | 1,839,458               | 2,151,284         | 2,151,281         | 3                    |
| Central services                     | 50,800                  | 71,205            | 71,204            | 1                    |
| Food services                        | 65,675                  | 56,311            | 56,311            | 0                    |
| Community service programs           | 12,401                  | 12,610            | 12,610            | 0                    |
| Capital Outlay                       | 0                       | 0                 | 706,716           | (706,716)            |
| Transfers to other funds             | 200,000                 | 5,000             | 0                 | 5,000                |
| Total charges to appropriations      | <u>14,957,332</u>       | <u>15,162,345</u> | <u>15,528,353</u> | <u>(366,008)</u>     |
| BUDGETARY FUND BALANCES, ENDING      | \$ <u>126,543</u>       | \$ <u>626,077</u> | \$ <u>971,986</u> | \$ <u>345,909</u>    |

**Union Parish School Board**

**Notes to the Budgetary Comparison Schedule  
For the Year Ended June 30, 2007**

**A. BUDGETS**

**General Budget Practices** The School Board follows these procedures in establishing the budgetary data reflected in the combined financial statements:

State statute requires budgets to be adopted for the general fund and all special revenue funds.

Each year prior to September, the Superintendent submits to the Board proposed annual budgets for the general fund and special revenue funds. Public hearings are conducted, prior to the Board's approval, to obtain taxpayer comments. The operating budgets include proposed expenditures and the means of financing them.

Appropriations (unexpended budget balances) lapse at year-end.

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the function level. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. These revisions were considered insignificant by the Board.

**Encumbrances** Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded.

**Budget Basis of Accounting** All governmental funds' budgets are prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgeted amounts are originally adopted or amended by the Board. Legally, the Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Board to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The School Board approves budgets at the function level and management can transfer amounts between line items within a function.

**B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN MAJOR FUND**

The following major fund had actual expenditures over budgeted expenditures for the year ended June 30, 2007:

| <u>Fund</u>  | <u>Budget</u> | <u>Actual</u> | Unfavorable<br><u>Variance</u> |
|--------------|---------------|---------------|--------------------------------|
| General Fund | \$15,162,345  | \$15,528,353  | \$366,008                      |

Actual expenditures exceeded appropriations as a result of unanticipated expenditures occurring for completion of Parish Civic Center (new gym). The School Board received state funds in the form of a capital grant to complete the project.

**UNION PARISH SCHOOL BOARD**

**Notes to Budgetary Comparison Schedules  
For the Year Ended June 30, 2007**

Note C - Budget to GAAP Reconciliation - Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

|  | <u>GENERAL<br/>FUND</u> |
|--|-------------------------|
| <u>Sources/inflows of resources:</u>   |                         |
| Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule                                    | \$ 16,500,339           |
| The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes | <u>(1,452,622)</u>      |
| Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds                 | <u>15,047,717</u>       |
| <u>Uses/outflows of resources:</u>   |                         |
| Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule                                | <u>15,528,353</u>       |
| Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds             | <u>\$ 15,528,353</u>    |

**Union Parish School Board**

**SUPPLEMENTAL INFORMATION**

## **Union Parish School Board**

### **Nonmajor Special Revenue Funds**

**TITLE I** To improve the educational opportunities of educationally deprived children by helping them succeed in the regular school program, attain grade level proficiency and improve achievement in basic and more advanced skills. Primarily for provision of compensatory instructional activities to educationally deprived children that reside in low-income areas and have been selected on the basis of a needs assessment. Services supplement, not supplant, those normally provided by state and local educational agencies.

**TITLE II** This program is designed to improve the skills of teachers and the quality of instruction in math and science, also to increase the accessibility of such instruction to all students.

**TITLE III** This program is designed to ensure that limited English proficient children (LEP) and youth, including immigrant children and youth, attain English proficiency and meet the same challenging state academic content and student academic achievement standards as all children and youth are expected to meet.

**TITLE IV** To establish state and local programs of alcohol and drug abuse education and prevention coordinated with related community efforts and resources.

**TITLE V** This program is designed to assist state and local educational agencies in the reform of elementary and secondary education.

**ADULT EDUCATION** This program was designed to improve educational opportunities for adults and to encourage the establishment of adult education programs that will enable all adults to acquire basic educational skills necessary to function in a literate society, enable adults who so desire to complete secondary school, and enable adults to benefit from job training and retraining programs and obtain productive employment to more fully enjoy the benefits and responsibilities of citizenship.

Special emphasis is given to programs of instruction in computational skills and in speaking, reading, or writing English for those adults who are educationally disadvantaged.

**8G INNOVATIVE PROFESSIONAL DEVELOPMENT PROGRAM** This grant was designed to provide computer-assisted instruction to staff in order for them to have a working knowledge of using the Internet in the classroom.

### **SPECIAL EDUCATION**

**PRESCHOOL GRANTS** To provide grants to states to assist them in providing a free appropriate public education to preschool disabled children aged three through five years.

**STATE GRANTS** To provide grants to states to assist them in providing a free appropriate public education to all children with disabilities.

**1979 SALES TAX** The sales tax fund accounts for a one percent sales tax to be used to pay salaries and retirement benefits for school teachers and other school employees and/or to maintain and operate school buildings, facilities, and equipment. The School Board is the centralized sales tax collection agency for all taxing authorities in the parish. As a result, the School Board receives a fee of one percent of collections for performing the duties of the collection agency. The costs of collecting and administering the tax are paid from the fund.



**Union Parish School Board  
Nonmajor Special Revenue Funds**

**2001 SALES TAX** The 2001 sales tax fund accounts for a one percent sales tax, 85% is to be used for paying salaries and benefits of teachers and other school employees and 15% is to be used for constructing, improving, maintaining and operating public schools, including authority to fund a portion of the sales tax into bonds. The School Board is the centralized sales tax collection agency for all taxing authorities in the parish. As a result, the School Board receives a fee of one percent of collections for performing the duties of the collection agency. The costs of collecting and administering the tax are paid from the fund.

**SCHOOL FOOD SERVICE** To assist through cash grants and food donations in providing a nutritious breakfast and lunch service for school students and to encourage the domestic consumption of nutritious agricultural commodities.

The Summer Food Service Program for Children provides nonprofit food service program for needy children during the summer months and at other approved times when area schools are closed for vacation.

**READING FIRST** To provide assistance in establishing reading programs for students in kindergarten through third grade that are based on scientifically based reading research to ensure that every student can read at grade level or above by the end of third grade.

**VOCATIONAL EDUCATION** To provide students with the opportunity to develop the knowledge, skills, and attitudes needed for employment in agriculture, home economics, industrial arts, business, etc.

**HERA HOMELESS** To provide assistance to homeless youth.

**ENHANCING EDUCATION THRU TECHNOLOGY** To assist students to improve their understanding of new technology.

**SPECIAL FUNDS** Accounts for various state and federal grants including the following programs:

- Various 8 (G) State Grants
- Vocational Education
- Job Training Partnership Act (JTPA)
- K-3 Reading Initiative
- Class Size Reduction
- Starting Points Preschool

**EDUCATIONAL EXCELLENCE** Louisiana Revised Statute (LRS):39:98.1-98.5 established the Education Excellence Fund (EEF) as a component of the Millennium Trust. By legislative mandate, the State Department of Education has the responsibility of providing for the appropriations and oversight of monies from the Education Excellence Fund with the specific purpose of ensuring that all expenditures are used to support "excellence in educational practice."

**DISTRICT A** The District A fund accounts for the proceeds of an ad valorem tax dedicated for maintenance and upkeep of school facilities.

**UNION PARISH SCHOOL BOARD**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**Combining Balance Sheet**  
**June 30, 2007**

|  | <u>TITLE I</u>    | <u>TITLE II</u>  | <u>TITLE III</u> | <u>TITLE IV</u>  | <u>TITLE V</u> |
|--|-------------------|------------------|------------------|------------------|----------------|
| <b>ASSETS</b>                            |                   |                  |                  |                  |                |
| Cash and cash equivalents                | \$ 0              | \$ 0             | \$ 16,860        | \$ 0             | 0              |
| Receivables                              | 253,421           | 73,330           | 2,812            | 35,280           | 0              |
| Interfund receivable                     | 0                 | 0                | 0                | 0                | 0              |
| Inventory                                | 0                 | 0                | 0                | 0                | 0              |
| <b>Total Assets</b>                      | <u>253,421</u>    | <u>73,330</u>    | <u>19,672</u>    | <u>35,280</u>    | <u>0</u>       |
| <b>LIABILITIES AND FUND EQUITY</b>       |                   |                  |                  |                  |                |
| <b>Liabilities</b>                       |                   |                  |                  |                  |                |
| Accounts, salaries and other payables    | 828               | 0                | 2,757            | 0                | 0              |
| Interfund payable                        | 252,595           | 73,330           | 16,915           | 35,280           | 0              |
| Deferred revenue                         | 0                 | 0                | 0                | 0                | 0              |
| <b>Total Liabilities</b>                 | <u>253,421</u>    | <u>73,330</u>    | <u>19,672</u>    | <u>35,280</u>    | <u>0</u>       |
| <b>Fund Equity</b>                       |                   |                  |                  |                  |                |
| <b>Fund Balances:</b>                    |                   |                  |                  |                  |                |
| Reserved for inventory                   | 0                 | 0                | 0                | 0                | 0              |
| Unreserved and undesignated              | 0                 | 0                | 0                | 0                | 0              |
| <b>Total Equity</b>                      | <u>0</u>          | <u>0</u>         | <u>0</u>         | <u>0</u>         | <u>0</u>       |
| <b>TOTAL LIABILITIES AND FUND EQUITY</b> | <u>\$ 253,421</u> | <u>\$ 73,330</u> | <u>\$ 19,672</u> | <u>\$ 35,280</u> | <u>\$ 0</u>    |

Exhibit 2

| ADULT<br>EDUCATION | BG               | SPECIAL<br>EDUCATION | 1979<br>SALES<br>TAX | 2001<br>SALES<br>TAX | SCHOOL<br>FOOD<br>SERVICE |
|--------------------|------------------|----------------------|----------------------|----------------------|---------------------------|
| \$ 0               | \$ 0             | \$ 0                 | \$ 38,700            | \$ 1,993             | \$ 246,021                |
| 9,888              | 17,160           | 92,845               | 240,944              | 225,079              | 388                       |
| 0                  | 0                | 0                    | 0                    | 0                    | 112,669                   |
| 0                  | 0                | 0                    | 0                    | 0                    | 83,046                    |
| <u>9,888</u>       | <u>17,160</u>    | <u>92,845</u>        | <u>279,644</u>       | <u>227,072</u>       | <u>442,124</u>            |
| 252                | 0                | 6,401                | 9,260                | 0                    | 0                         |
| 9,636              | 17,160           | 86,444               | 794                  | 40                   | 209,350                   |
| 0                  | 0                | 0                    | 0                    | 0                    | 31,894                    |
| <u>9,888</u>       | <u>17,160</u>    | <u>92,845</u>        | <u>10,054</u>        | <u>40</u>            | <u>241,244</u>            |
| 0                  | 0                | 0                    | 0                    | 0                    | 51,152                    |
| 0                  | 0                | 0                    | 269,590              | 227,032              | 149,728                   |
| 0                  | 0                | 0                    | 269,590              | 227,032              | 200,880                   |
| <u>\$ 9,888</u>    | <u>\$ 17,160</u> | <u>\$ 92,845</u>     | <u>\$ 279,644</u>    | <u>\$ 227,072</u>    | <u>\$ 442,124</u>         |

(CONTINUED)

UNION PARISH SCHOOL BOARD  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Balance Sheet  
June 30, 2007

|  | READING<br>FIRST | VOCATIONAL<br>EDUCATION | HERA<br>HOMELESS | ENHANCING<br>EDUCATION<br>THRU<br>TECHNOLOGY |
|--|------------------|-------------------------|------------------|--|
| <b>ASSETS</b>                            |                  |                         |                  |  |
| Cash and cash equivalents                | \$ 0             | \$ 0                    | \$ 0             | 0  |
| Receivables                              | 72,713           | 21,366                  | 5,140            | 8,736  |
| Interfund receivable                     | 0                | 0                       | 0                | 0  |
| Inventory                                | 0                | 0                       | 0                | 0  |
| <b>Total Assets</b>                      | <u>72,713</u>    | <u>21,366</u>           | <u>5,140</u>     | <u>8,736</u>                                 |
| <b>LIABILITIES AND FUND EQUITY</b>       |                  |                         |                  |  |
| <b>Liabilities</b>                       |                  |                         |                  |  |
| Accounts, salaries and other payables    | 0                | 0                       | 0                | 4,841  |
| Interfund payable                        | 72,713           | 21,366                  | 5,140            | 3,895  |
| Deferred revenue                         | 0                | 0                       | 0                | 0  |
| <b>Total Liabilities</b>                 | <u>72,713</u>    | <u>21,366</u>           | <u>5,140</u>     | <u>8,736</u>                                 |
| <b>Fund Equity</b>                       |                  |                         |                  |  |
| <b>Fund Balances:</b>                    |                  |                         |                  |  |
| Reserved for inventory                   | 0                | 0                       | 0                | 0  |
| Unreserved and undesignated              | 0                | 0                       | 0                | 0  |
| <b>Total Equity</b>                      | <u>0</u>         | <u>0</u>                | <u>0</u>         | <u>0</u>                                     |
| <b>TOTAL LIABILITIES AND FUND EQUITY</b> | <u>\$ 72,713</u> | <u>\$ 21,366</u>        | <u>\$ 5,140</u>  | <u>\$ 8,736</u>                              |

Exhibit 2

| SPECIAL<br>FUNDS | EDUCATION<br>EXCELLENCE | DISTRICT A | TOTAL        |
|------------------|-------------------------|------------|--------------|
| \$ 2,032         | \$ 0                    | \$ 294,713 | \$ 600,319   |
| 219,873          | 0                       | 3,100      | 1,282,075    |
| 0                | 0                       | 0          | 112,669      |
| 0                | 0                       | 0          | 83,046       |
| 221,905          | 0                       | 297,813    | 2,078,109    |
| 37,319           | 0                       | 13,950     | 75,606       |
| 184,588          | 0                       | 0          | 989,244      |
| 0                | 0                       | 0          | 31,894       |
| 221,905          | 0                       | 13,950     | 1,096,744    |
| 0                | 0                       | 0          | 51,152       |
| 0                | 0                       | 283,863    | 930,213      |
| 0                | 0                       | 283,863    | 981,365      |
| \$ 221,905       | \$ 0                    | \$ 287,813 | \$ 2,078,109 |

(CONCLUDED)

**UNION PARISH SCHOOL BOARD**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**For the Year Ended June 30, 2007**

|  | <u>TITLE I</u>   | <u>TITLE II</u> | <u>TITLE III</u> | <u>TITLE IV</u> | <u>TITLE V</u> |
|--|------------------|-----------------|------------------|-----------------|----------------|
| <b>REVENUES</b>                        |                  |                 |                  |                 |                |
| Local sources:                         |                  |                 |                  |                 |                |
| Taxes:                                 |                  |                 |                  |                 |                |
| Ad valorem                             | \$ 0             | \$ 0            | \$ 0             | \$ 0            | 0              |
| Sales and use                          | 0                | 0               | 0                | 0               | 0              |
| Interest earnings                      | 0                | 0               | 0                | 0               | 0              |
| Food services                          | 0                | 0               | 0                | 0               | 0              |
| Other                                  | 0                | 0               | 0                | 0               | 0              |
| State sources:                         |                  |                 |                  |                 |                |
| Equalization                           | 0                | 0               | 0                | 0               | 0              |
| Other                                  | 0                | 0               | 0                | 0               | 0              |
| Federal sources                        | 1,195,784        | 245,196         | 20,009           | 35,280          | 5,544          |
| <b>Total revenues</b>                  | <b>1,195,784</b> | <b>245,196</b>  | <b>20,009</b>    | <b>35,280</b>   | <b>5,544</b>   |
| <b>EXPENDITURES</b>                    |                  |                 |                  |                 |                |
| Current:                               |                  |                 |                  |                 |                |
| Instruction:                           |                  |                 |                  |                 |                |
| Regular programs                       | 0                | 0               | 0                | 0               | 0              |
| Special Programs                       | 0                | 0               | 0                | 0               | 0              |
| Other instructional programs           | 771,818          | 221,663         | 0                | 0               | 0              |
| Support services:                      |                  |                 |                  |                 |                |
| Student services                       | 0                | 0               | 0                | 34,707          | 0              |
| Instructional staff support            | 258,232          | 8,224           | 19,617           | 0               | 5,198          |
| General administration                 | 74,524           | 15,309          | 392              | 573             | 346            |
| School administration                  | 0                | 0               | 0                | 0               | 0              |
| Business services                      | 79,051           | 0               | 0                | 0               | 0              |
| Plant services                         | 12,159           | 0               | 0                | 0               | 0              |
| Student transportation services        | 0                | 0               | 0                | 0               | 0              |
| Central services                       | 0                | 0               | 0                | 0               | 0              |
| Food services                          | 0                | 0               | 0                | 0               | 0              |
| <b>Total expenditures</b>              | <b>1,195,784</b> | <b>245,196</b>  | <b>20,009</b>    | <b>35,280</b>   | <b>5,544</b>   |
| <b>EXCESS (DEFICIENCY) OF REVENUES</b> |                  |                 |                  |                 |                |
| <b>OVER EXPENDITURES</b>               | <b>\$ 0</b>      | <b>\$ 0</b>     | <b>\$ 0</b>      | <b>\$ 0</b>     | <b>0</b>       |

Exhibit 3

| ADULT<br>EDUCATION | 8G      | SPECIAL<br>EDUCATION | 1979<br>SALES<br>TAX | 2001<br>SALES<br>TAX | SCHOOL<br>FOOD<br>SERVICE |
|--------------------|---------|----------------------|----------------------|----------------------|---------------------------|
| \$ 0               | \$ 0    | \$ 0                 | \$ 0                 | \$ 0                 | 0                         |
| 0                  | 0       | 0                    | 2,136,397            | 2,136,378            | 0                         |
| 0                  | 0       | 0                    | 36,769               | 25,502               | 17,293                    |
| 0                  | 0       | 0                    | 0                    | 0                    | 177,097                   |
| 0                  | 0       | 0                    | 69,717               | 0                    | 0                         |
| 0                  | 0       | 0                    | 0                    | 0                    | 375,656                   |
| 20,091             | 138,193 | 9,215                | 0                    | 0                    | 0                         |
| 38,574             | 0       | 581,604              | 0                    | 0                    | 1,003,235                 |
| 58,665             | 138,193 | 590,819              | 2,242,883            | 2,161,880            | 1,573,281                 |
| 0                  | 1,734   | 0                    | 891,911              | 906,956              | 0                         |
| 0                  | 0       | 515,846              | 254,060              | 261,704              | 0                         |
| 54,488             | 117,052 | 6,442                | 71,865               | 118,696              | 0                         |
| 0                  | 0       | 0                    | 58,536               | 51,943               | 0                         |
| 4,177              | 19,407  | 29,705               | 86,195               | 79,782               | 0                         |
| 0                  | 0       | 26,429               | 109,753              | 17,940               | 0                         |
| 0                  | 0       | 0                    | 66,096               | 66,223               | 0                         |
| 0                  | 0       | 0                    | 8,954                | 9,023                | 0                         |
| 0                  | 0       | 0                    | 84,159               | 81,119               | 0                         |
| 0                  | 0       | 0                    | 141,390              | 142,868              | 0                         |
| 0                  | 0       | 12,397               | 1,188                | 0                    | 0                         |
| 0                  | 0       | 0                    | 131,001              | 133,059              | 1,502,018                 |
| 58,665             | 138,193 | 590,819              | 1,905,108            | 1,869,313            | 1,502,018                 |
| \$ 0               | \$ 0    | \$ 0                 | \$ 337,775           | \$ 292,567           | \$ 71,263                 |

(CONTINUED)

UNION PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended June 30, 2007

|                                      | <u>TITLE I</u> | <u>TITLE II</u> | <u>TITLE III</u> | <u>TITLE IV</u> | <u>TITLE V</u> |
|--------------------------------------|----------------|-----------------|------------------|-----------------|----------------|
| OTHER FINANCING SOURCES (USES)       |                |                 |                  |                 |                |
| Transfers in                         | \$ 0           | \$ 0            | \$ 0             | \$ 0            | 0              |
| Transfers out                        | <u>0</u>       | <u>0</u>        | <u>0</u>         | <u>0</u>        | <u>0</u>       |
| Total other financing sources (uses) | <u>0</u>       | <u>0</u>        | <u>0</u>         | <u>0</u>        | <u>0</u>       |
| Net Change in Fund Balances          | 0              | 0               | 0                | 0               | 0              |
| FUND BALANCES - BEGINNING            | <u>0</u>       | <u>0</u>        | <u>0</u>         | <u>0</u>        | <u>0</u>       |
| FUND BALANCES - ENDING               | <u>\$ 0</u>    | <u>\$ 0</u>     | <u>\$ 0</u>      | <u>\$ 0</u>     | <u>0</u>       |



Exhibit 3

| ADULT<br>EDUCATION | BG          | SPECIAL<br>EDUCATION | 1979<br>SALES<br>TAX | 2001<br>SALES<br>TAX | SCHOOL<br>FOOD<br>SERVICE |
|--------------------|-------------|----------------------|----------------------|----------------------|---------------------------|
| \$ 0               | \$ 0        | \$ 0                 | \$ 0                 | \$ 0                 | \$ 0                      |
| 0                  | 0           | 0                    | (320,111)            | (320,110)            | 0                         |
| 0                  | 0           | 0                    | (320,111)            | (320,110)            | 0                         |
| 0                  | 0           | 0                    | 17,684               | (27,543)             | 71,263                    |
| 0                  | 0           | 0                    | 251,926              | 254,575              | 129,617                   |
| <u>\$ 0</u>        | <u>\$ 0</u> | <u>\$ 0</u>          | <u>\$ 269,590</u>    | <u>\$ 227,032</u>    | <u>\$ 200,880</u>         |

(CONTINUED)

**UNION PARISH SCHOOL BOARD**

**NONMAJOR SPECIAL REVENUE FUNDS**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**For the Year Ended June 30, 2007**

|  | <u>READING<br/>FIRST</u> | <u>VOCATIONAL<br/>EDUCATION</u> | <u>HERA<br/>HOMELESS</u> | <u>ENHANCING<br/>EDUCATION<br/>THRU<br/>TECHNOLOGY</u> |
|--|--------------------------|---------------------------------|--------------------------|--|
| <b>REVENUES</b>  |                          |                                 |                          |  |
| Local sources:   |                          |                                 |                          |  |
| Taxes:   |                          |                                 |                          |  |
| Ad valorem   | \$ 0                     | \$ 0                            | \$ 0                     | 0  |
| Sales and use  | 0                        | 0                               | 0                        | 0  |
| Interest earnings  | 0                        | 0                               | 0                        | 0  |
| Food services  | 0                        | 0                               | 0                        | 0  |
| Other  | 0                        | 0                               | 0                        | 0  |
| State sources:   |                          |                                 |                          |  |
| Equalization   | 0                        | 0                               | 0                        | 0  |
| Other  | 0                        | 0                               | 0                        | 0  |
| Federal sources  | <u>143,230</u>           | <u>111,439</u>                  | <u>5,140</u>             | <u>9,123</u>   |
| <br>Total revenues   | <br><u>143,230</u>       | <br><u>111,439</u>              | <br><u>5,140</u>         | <br><u>9,123</u>                                       |
| <br><b>EXPENDITURES</b>  |                          |                                 |                          |  |
| Current:   |                          |                                 |                          |  |
| Instruction:   |                          |                                 |                          |  |
| Regular programs   | 0                        | 0                               | 0                        | 0  |
| Special Programs   | 0                        | 0                               | 0                        | 0  |
| Other instructional programs                                     | 143,230                  | 46,848                          | 5,140                    | 0  |
| Support services:  |                          |                                 |                          |  |
| Student services   | 0                        | 0                               | 0                        | 0  |
| Instructional staff support                                      | 0                        | 62,420                          | 0                        | 9,111  |
| General administration   | 0                        | 2,171                           | 0                        | 12   |
| School administration  | 0                        | 0                               | 0                        | 0  |
| Business services  | 0                        | 0                               | 0                        | 0  |
| Plant services   | 0                        | 0                               | 0                        | 0  |
| Student transportation services                                  | 0                        | 0                               | 0                        | 0  |
| Central services   | 0                        | 0                               | 0                        | 0  |
| Food services  | <u>0</u>                 | <u>0</u>                        | <u>0</u>                 | <u>0</u>   |
| <br>Total expenditures   | <br><u>143,230</u>       | <br><u>111,439</u>              | <br><u>5,140</u>         | <br><u>9,123</u>                                       |
| <br><b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | <br><u>\$ 0</u>          | <br><u>\$ 0</u>                 | <br><u>\$ 0</u>          | <br><u>0</u>   |

Exhibit 3

| SPECIAL<br>FUNDS | EDUCATION<br>EXCELLENCE | DISTRICT A   | TOTAL        |
|------------------|-------------------------|--------------|--------------|
| \$ 0             | \$ 0                    | \$ 143,564   | \$ 143,564   |
| 0                | 0                       | 0            | 4,272,775    |
| 0                | 0                       | 5,242        | 84,806       |
| 0                | 0                       | 0            | 177,097      |
| 0                | 0                       | 2,864        | 72,581       |
| 0                | 0                       | 0            | 375,656      |
| 479,731          | 316,916                 | 26,529       | 990,675      |
| 326,851          | 0                       | 0            | 3,721,009    |
| 806,582          | 316,916                 | 178,199      | 9,838,163    |
| 103,147          | 162,894                 | 0            | 2,066,642    |
| 15,362           | 0                       | 0            | 1,046,972    |
| 466,255          | 128,857                 | 0            | 2,152,354    |
| 0                | 0                       | 0            | 145,186      |
| 208,577          | 30,649                  | 0            | 821,294      |
| 15,274           | 0                       | 4,946        | 267,669      |
| 0                | 0                       | 0            | 132,319      |
| 0                | 980                     | 10,622       | 108,630      |
| 0                | 0                       | 969,678      | 1,147,115    |
| 0                | 0                       | 0            | 284,258      |
| 0                | 0                       | 0            | 13,585       |
| 0                | 0                       | 0            | 1,766,078    |
| 808,615          | 323,380                 | 985,246      | 9,952,102    |
| \$ (2,033)       | \$ (6,464)              | \$ (807,047) | \$ (113,939) |

(CONTINUED)

UNION PARISH SCHOOL BOARD

**NONMAJOR SPECIAL REVENUE FUNDS**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**For the Year Ended June 30, 2007**

|                                      | READING<br>FIRST | VOCATIONAL<br>EDUCATION | HERA<br>HOMELESS | ENHANCING<br>EDUCATION<br>THRU<br>TECHNOLOGY |
|--------------------------------------|------------------|-------------------------|------------------|--|
| OTHER FINANCING SOURCES (USES)       |                  |                         |                  |  |
| Transfers in                         | \$ 0             | \$ 0                    | \$ 0             | \$ 0   |
| Transfers out                        | <u>0</u>         | <u>0</u>                | <u>0</u>         | <u>0</u>                                     |
| Total other financing sources (uses) | <u>0</u>         | <u>0</u>                | <u>0</u>         | <u>0</u>                                     |
| Net Change in Fund Balances          | 0                | 0                       | 0                | 0  |
| FUND BALANCES - BEGINNING            | <u>0</u>         | <u>0</u>                | <u>0</u>         | <u>0</u>                                     |
| FUND BALANCES - ENDING               | <u>\$ 0</u>      | <u>\$ 0</u>             | <u>\$ 0</u>      | <u>\$ 0</u>                                  |

Exhibit 3

| <u>SPECIAL<br/>FUNDS</u> | <u>EDUCATION<br/>EXCELLENCE</u> | <u>DISTRICT A</u> | <u>TOTAL</u>      |
|--------------------------|---------------------------------|-------------------|-------------------|
| \$ 0                     | \$ 0                            | \$ 640,221        | \$ 640,221        |
| <u>0</u>                 | <u>0</u>                        | <u>0</u>          | <u>(640,221)</u>  |
| 0                        | 0                               | 640,221           | 0                 |
| (2,033)                  | (6,464)                         | (166,826)         | (113,939)         |
| <u>2,033</u>             | <u>6,464</u>                    | <u>450,689</u>    | <u>1,095,304</u>  |
| <u>\$ 0</u>              | <u>\$ 0</u>                     | <u>\$ 283,863</u> | <u>\$ 981,365</u> |

(CONCLUDED)

## **Union Parish School Board**

### **Agency Funds**

**SCHOOL ACTIVITIES FUND** The activities of the various individual school accounts are accounted for in the school activities agency fund. While the accounts are under the supervision of the School Board, they belong to the individual schools or their student bodies and are not available for use by the School Board.

**SALES TAX COLLECTION FUND** The sales tax collection agency accounts for monies collected on behalf of the other taxing authorities in Union Parish. Upon receipts of sales tax returns and monies, the School Board issues checks to other taxing authorities periodically throughout each month.

UNION PARISH SCHOOL BOARD

AGENCY FUNDS

Combining Schedule of Changes in Assets and Liabilities  
For the Year Ended June 30, 2007

Exhibit 4

|                                     | <u>Balance,<br/>Beginning</u> | <u>Additions</u>     | <u>Deductions</u>    | <u>Balance,<br/>Ending</u> |
|-------------------------------------|-------------------------------|----------------------|----------------------|----------------------------|
| *****SCHOOL ACTIVITIES FUND*****    |                               |                      |                      |                            |
| ASSETS                              |                               |                      |                      |                            |
| Cash and cash equivalents           | \$ <u>315,733</u>             | \$ <u>1,080,041</u>  | \$ <u>1,041,926</u>  | \$ <u>333,848</u>          |
| LIABILITIES                         |                               |                      |                      |                            |
| Deposits due others                 | <u>315,733</u>                | <u>1,080,041</u>     | <u>1,041,926</u>     | <u>333,848</u>             |
| *****SALES TAX COLLECTION FUND***** |                               |                      |                      |                            |
| ASSETS                              |                               |                      |                      |                            |
| Cash and cash equivalents           | <u>0</u>                      | <u>10,365,908</u>    | <u>10,365,908</u>    | <u>0</u>                   |
| LIABILITIES                         |                               |                      |                      |                            |
| Deposits due others                 | <u>0</u>                      | <u>10,365,908</u>    | <u>10,365,908</u>    | <u>0</u>                   |
| *****TOTAL*****                     |                               |                      |                      |                            |
| ASSETS                              |                               |                      |                      |                            |
| Cash and cash equivalents           | <u>315,733</u>                | <u>11,425,949</u>    | <u>11,407,834</u>    | <u>333,848</u>             |
| LIABILITIES                         |                               |                      |                      |                            |
| Deposits due others                 | \$ <u>315,733</u>             | \$ <u>11,425,949</u> | \$ <u>11,407,834</u> | \$ <u>333,848</u>          |

**UNION PARISH SCHOOL BOARD**  
**SCHOOL ACTIVITIES AGENCY FUND**  
**Schedule of Changes in Deposits Due Others**  
**For the Year Ended June 30, 2007**

Exhibit 5

| SCHOOL                 | Balance,<br>Beginning | Additions           | Deductions          | Balance,<br>Ending |
|------------------------|-----------------------|---------------------|---------------------|--------------------|
| BERNICE HIGH           | \$ 75,683             | \$ 98,727           | \$ 94,988           | \$ 79,422          |
| DOWNSVILLE HIGH        | 89,744                | 188,643             | 191,893             | 86,494             |
| FARMERVILLE ELEMENTARY | 79,285                | 160,203             | 166,227             | 73,261             |
| FARMERVILLE HIGH       | 10,807                | 200,702             | 166,038             | 45,471             |
| FARMERVILLE MIDDLE     | 25,187                | 186,493             | 194,649             | 17,031             |
| MARION HIGH            | 28,655                | 111,871             | 110,548             | 29,978             |
| SPEARSVILLE HIGH       | <u>6,372</u>          | <u>113,402</u>      | <u>117,583</u>      | <u>2,191</u>       |
| Total                  | <u>\$ 315,733</u>     | <u>\$ 1,060,041</u> | <u>\$ 1,041,926</u> | <u>\$ 333,848</u>  |



**UNION PARISH SCHOOL BOARD**  
**SALES TAX COLLECTION AGENCY FUND**  
**Schedule of Changes in Deposits Due Others**  
**For the Year Ended June 30, 2007**

Exhibit 6

DEPOSIT BALANCE AT BEGINNING OF YEAR

\$           0

ADDITIONS

    Sales tax collections

10,365,908

DEDUCTIONS

    Transfer to general fund - sales tax collection fee

59,829

    Payments to:

        Union Parish Sheriff

2,112,474

        Union Parish School Board

2,134,071

        Union Parish School Board #2

2,134,070

        Union Parish Police Jury

2,112,752

        City of Farmerville

864,771

        City of Farmerville #2

432,389

        Town of Bernice

240,689

        Town of Marion

149,865

        Village of Junction City

10,157

        Audit fee (sales tax vendors)

100,799

        Other expenses (refunds)

14,042

        Total deductions

10,365,908

DEPOSIT BALANCE AT END OF YEAR

\$           0

UNION PARISH SCHOOL BOARD

GENERAL

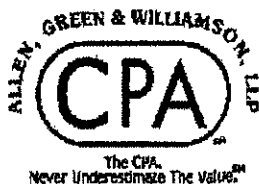
Schedule of Compensation Paid Board Members  
For the Year Ended June 30, 2007

Exhibit 7

The schedule of compensation paid to the School Board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the School Board members is included in the general administrative expenditures of the general fund. In accordance with Louisiana Revised Statute 17:56, the School Board members have elected the monthly payment method of compensation. Under this method, each member of the School Board receives \$550 per month, and the president receives \$600 per month for performing the duties of this office.

|   |                  |
|---|------------------|
| MR. HOWARD ALLEN, PRESIDENT THRU 12/31/2006       | \$ 6,900         |
| MR. CHARLIE ALBRITTON, TERM THRU 12/31/2006       | 3,300            |
| MS. MARCIA HARRELL, TERM THRU 12/31/2006          | 3,300            |
| MR. MICHAEL HOLLEY, PRESIDENT, 01/01/2007 FORWARD | 6,900            |
| MR. ROBERT C. JAMES, JR.                          | 6,600            |
| MR. RONNIE JONES, TERM THRU 12/31/2006            | 3,300            |
| MR. GLYN NALE, TERM THRU 12/31/2006               | 3,300            |
| MR. MARCUS WADE WATLEY                            | 6,600            |
| MR. JIMMY HOLLIS, TERM 01/01/2007 FORWARD         | 3,300            |
| MR. JOHN ELLIS, TERM 01/01/2007 FORWARD           | 3,300            |
| MR. CASEY KENNEDY, TERM 01/01/2007 FORWARD        | 3,300            |
| MR. STEVE JOHNSON, TERM 01/01/2007 FORWARD        | 3,300            |
| MS. BARBARA YARBROUGH                             | <u>6,600</u>     |
| TOTAL   | <u>\$ 60,000</u> |

**SINGLE AUDIT INFORMATION**



## ALLEN, GREEN & WILLIAMSON, LLP

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(Retired) 1963 - 2000

### **Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards**

Board Members  
Union Parish School Board  
Farmerville, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Union Parish School Board, as of and for the year ended June 30, 2007, which collectively comprise the School Board's basic financial statements, and have issued our report thereon dated December 14, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

#### **Internal Control over Financial Reporting**

In planning and performing our audit, we considered the School Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the School Board's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the School Board's financial statements that is more than inconsequential will not be prevented or detected by the School Board's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the School Board's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Management Letter Items

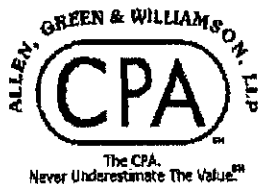
We also noted certain matters that we reported to management of the School Board in a separate letter dated December 14, 2007.

This report is intended solely for the information and use of the Board, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

*Allen, Green + Williamson, LLP*

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
December 14, 2007



## ALLEN, GREEN & WILLIAMSON, LLP

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(Retired) 1963 - 2000

### **Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133**

Board Members  
Union Parish School Board  
Farmerville, Louisiana

#### Compliance

We have audited the compliance of the Union Parish School Board with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB Circular A-133 Compliance Supplement) that are applicable to each of its major federal programs for the year ended June 30, 2007. The School Board's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School Board's management. Our responsibility is to express an opinion on the School Board's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School Board's compliance with those requirements.

In our opinion, the School Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

#### Internal Control Over Compliance

The management of the School Board is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School Board's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

#### Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the School Board as of and for the year ended June 30, 2007, and have issued our report thereon dated December 14, 2007. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the School Board's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

*Allen, Green & Williamson, LLP*

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
December 14, 2007

**Union Parish School Board**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2007**

**Exhibit 8**

| FEDERAL GRANTOR/<br>PASS-THROUGH GRANTOR/PROGRAM NAME  | CFDA<br>Number | Pass Through<br>Grantor No. | Expenditures       |
|--|----------------|-----------------------------|--------------------|
| <b>CASH FEDERAL AWARDS</b>                             |                |                             |                    |
| United States Department of Agriculture                |                |                             |                    |
| Passed Through Louisiana Department of Education:      |                |                             |                    |
| National School Lunch Program                          | 10.555         | NONE                        | \$ 678,346         |
| School Breakfast Program                               | 10.553         | NONE                        | 264,168            |
| Summer Feeding Program for Children                    | 10.559         | NONE                        | <u>943</u>         |
| Total United States Department of Agriculture          |                |                             | <u>943,457</u>     |
| United States Department of Education                  |                |                             |                    |
| Passed through Louisiana Department of Education:      |                |                             |                    |
| Adult Education - State Grant Program                  | 84.002         | 28-07-044-56                | 38,574             |
| Title I Grants to Local Educational Agencies           |                |                             |                    |
| Basic Grant Program                                    | 84.010         | 28-07-T1-56                 | 1,195,784          |
| Title II (Improving Teacher Quality State Grants)      | 84.367         | 25-07-50-56                 | 245,196            |
| Title III  | 84.365A        | 28-07-53-56                 | 20,009             |
| Title IV (Safe and Drug Free Schools)                  | 84.186         | 28-07-70-56                 | 35,280             |
| Title V  | 84.298A        | 28-07-80-56                 | 5,544              |
| Special Education:                                     |                |                             |                    |
| Grants to States (Part B)                              | 84.027         | 25-07-B1-56                 | 564,610            |
| Assistive Tech Grant Region 8                          | 84.027A        | 28-07-B6-56                 | 200,410            |
| Preschool Grants                                       | 84.173         | 28-07-P1-56                 | 28,312             |
| Vocational Education: Basic Grants to States           | 84.048         | 28-07-02-56                 | 61,725             |
| Enhancing Education through Technology (Ed-Tech)       |                |                             |                    |
| State Program  | 84.318         | 28-07-49-56                 | 58,837             |
| TLCF - First Technology Grant                          | 84.318X        | 28-07-03-56                 | 37,069             |
| Class Size Reduction                                   | 84.340         |                             | 19,751             |
| HERA Homeless  | 84.938B        | 28-06-IH-56                 | 5,140              |
| Reading First State Grant                              | 84.357A        | 28-07-RF-56                 | <u>143,230</u>     |
| Total United States Department of Education            |                |                             | <u>2,659,471</u>   |
| United States Department of Health and Human Services  |                |                             |                    |
| Passed through the Louisiana Department of Education   |                |                             |                    |
| Child Care and Development Block Grant (Starting       |                |                             |                    |
| Points Preschool)                                      | 93.575         | 280535                      | 56,270             |
| TANF - Strategies to empower people (STEP)             | 93.558         | 28-05-EP-56                 | <u>2,033</u>       |
| TOTAL CASH FEDERAL AWARDS                              |                |                             |                    |
| <b>NONCASH FEDERAL AWARDS</b>                          |                |                             |                    |
| United States Department of Agriculture and Forestry:  |                |                             |                    |
| Passed Through Louisiana Department of Agriculture and |                |                             |                    |
| Forestry:  |                |                             |                    |
| Food Distribution Program (Commodities)                | 10.550         | NONE                        | <u>59,778</u>      |
| TOTAL FEDERAL AWARDS                                   |                |                             | <u>\$3,721,009</u> |



**Union Parish School Board**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2007**

**NOTE 1 - GENERAL** The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Union Parish School Board (the "School Board"). The School Board reporting entity is defined in Note 1 in the School Board's Notes to the Financial Statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, is included on the schedule.

**NOTE 2 - BASIS OF ACCOUNTING** The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the School Board's Notes to the Financial Statements.

**NOTE 3 - RELATIONSHIP TO FINANCIAL STATEMENTS** Federal awards expenditures are reported in the School Board's financial statements as follows:

|                                     | <u>Federal<br/>Sources</u> |
|-------------------------------------|----------------------------|
| Other Governmental funds            |                            |
| Title I                             | \$1,195,784                |
| Title II                            | 245,196                    |
| Title III                           | 20,009                     |
| Title IV                            | 35,280                     |
| Title V                             | 5,544                      |
| Adult Education                     | 38,574                     |
| Special Education                   | 581,604                    |
| School Food Service                 | 1,003,235                  |
| Reading First                       | 143,230                    |
| Vocational Education                | 111,439                    |
| HERA Homeless                       | 5,140                      |
| Enhancing Education Thru Technology | 9,123                      |
| Special Funds                       | <u>326,851</u>             |
| Total                               | <u>\$3,721,009</u>         |

**NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS** Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

**NOTE 5 - MATCHING REVENUES** For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

**NOTE 6 - NONCASH PROGRAMS** The commodities received, which are noncash revenues, are valued using prices provided by the United States Department of Agriculture.

**Union Parish School Board  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2007**

**PART I - Summary of the Auditors' Results**

**Financial Statement Audit**

- i. The type of audit report issued was unqualified.
- ii. There were no reportable conditions required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States of America.
- iii. There were no instances of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statement.

**Audit of Federal Awards**

- iv. There were no reportable conditions required to be disclosed by OMB Circular A-133.
- v. The type of report the auditor issued on compliance for major programs was unqualified.
- vi. The audit disclosed no audit findings which the auditor is required to report under OMB Circular A-133, Section .510(a).
- vii. The major federal programs are:

Child Nutrition Cluster:

CFDA #10.553

CFDA #10.555

CFDA # 10.559

School Breakfast Program

National School Lunch Program

Summer Feeding Program

Special Education Cluster

CFDA#84.027

CFDA#84.173

CFDA#84.027A

Grants to States (Part B)

Preschool Grants

Assistive Tech Grant Region 8

- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular A-133, Section .520(b) was \$300,000.
- ix. The auditee does qualify as a low-risk auditee under OMB Circular A-133, Section .530.

**Union Parish School Board**

**OTHER INFORMATION**

**Union Parish School Board  
Summary Schedule of Prior Year Audit Findings  
June 30, 2007**

**Finding reference # and Title:**

**06-F1**

**Bank Deposits Unsecured**

**Initial occurrence:** June 30, 2006.

**Condition found:** The School Board had \$4,523,046 deposited with one bank which was secured by \$109,955 in FDIC insurance and \$4,159,812 in pledged securities. The remaining balance of \$253,279 was not collateralized.

**Corrective action taken:** The bank was allowing FDIC insurance of \$100,000 for each of the school bank accounts which was overstating the amount of FDIC coverage. The overstatement in FDIC insurance caused the computation of pledged securities needed to be understated by the bank. The School Board has monitored the amount of pledged securities monthly and made needed adjustments as the bank account balances changed. Pledged securities were adequate at June 30, 2007.



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Ernest L. Allen, CPA  
Retired 1963 - 2010

### Management Letter

Board Members  
Union Parish School Board  
Farmerville, Louisiana

In planning and performing our audit of the financial statements of the Union Parish School Board for the year ended June 30, 2007, we considered the School Board's internal control to plan our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control.

However, during our audit, we noted certain matters involving internal control that are presented for your consideration. This letter does not affect our report dated December 14, 2007, on the financial statements of the School Board. We will review the status of these comments during our next audit engagement. Our comments and recommendations which have been discussed with appropriate members of management are intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Management's response has also been included. We have performed no audit work to verify the content of the responses.

#### 07-M1 Issuance of 1099's

**Comment:** The School Board is not issuing 1099s to all individuals as defined by IRS laws and regulations.

**Recommendation:** The School Board should ensure that all individuals as defined by IRS laws and regulations receive a 1099 for monies received from the School Board.

**Management's response:** During the 2006 calendar year much work was done on the buildings of the Union Parish School Board. Several vendors such as painters, carpenters and etc. were used to meet the requirements of the report from the Dept of Health and Hospitals. The business office followed the same procedures for the issue of 1099s as before and didn't realize that if the business was not incorporated you would need to issue a 1099. Auditors instructed the office of this before the close of the 2007 calendar year, so focus will be made to ensure that the 2007 1099s are correctly issued.

## **07-M2 Student Activity Funds**

**Comment:** Two schools were visited in the current year. During the visit an overall review of Student Activity Fund policies and procedures was performed as well as testing of receipts, disbursements, and bank reconciliations. The following are exceptions noted:

- **Bank Reconciliations:** We selected three bank reconciliations at both schools. There were four exceptions in which there was no documentation as to when the bank reconciliation was completed, four exceptions in which outstanding checks did not clear in a timely manner, and one exception in which the balance per bank reconciliation did not agree with the amount per general ledger.
- **Receipts:** We selected ten receipts at each school. There were five exceptions at one school and nine exceptions at one school for not depositing receipts in a timely manner (usually three business days).
- **Disbursements:** We selected ten disbursements at each school and noted the following exceptions:
  - (1) Three invoices were not supported by proper documentation such as an original invoice.
  - (2) One disbursement was not properly approved by the principal.
  - (3) Three invoices in which the school paid sales tax on purchases made.

**Recommendation:** The schools should document when bank reconciliations are completed and follow up on checks that remain outstanding. Bank reconciliations should always be compared to the general ledger balance for any discrepancies and follow up to clear any noted. Receipts should always be deposited in a timely manner which is usually within three business days. Disbursements should always have proper documentation and approval before being paid. The school should not pay sales tax on any purchases it makes due to the School Board having tax-exempt status.

**Management's response:** The area of student activity funds has always proved to be a difficult area. The school secretaries are of vital importance to the school system and are some of the most dedicated employees that the Board has. However, with the additional tasks that are set before them each year, like the addition of the JPAMS program, it becomes harder and harder to assure that all areas are covered. The Board will continue to provide in-service and support to this dedicated group of employees and Management will continue to do yearly monitoring of these accounts. The above recommendations will be issued to all schools and during the yearly review; checks will be made to assure that they are being followed.

A Status of Prior Management Letter Items immediately follows this letter. This information has not been audited by Allen, Green & Williamson, LLP, and no opinion is expressed. However, we did follow-up on prior management letter items and performed procedures to assess the reasonableness of the Status of Prior Management Letter Items prepared by Management, and we would report, as a current-year management letter item when Allen, Green & Williamson, LLP, concludes that the Status of Prior Management Letter Items materially misrepresents the status of any prior management letter item.

Our audit procedures are designed primarily to enable us to form opinions on the financial statements and, therefore, may not reveal all weaknesses in policies and procedures that may exist.

This report is intended solely for the information and use of the Board, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

*Allen, Green & Williamson, LLP*  
ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
December 14, 2007

**Union Parish School Board  
Status of Prior Management Letter Items  
June 30, 2007**

**06-M1 Issuance of 1099's**

**Comment:** The School Board is not issuing 1099s to all individuals as defined by IRS laws and regulations.

**Recommendation:** The School Board should ensure that all individuals as defined by IRS laws and regulations receive a 1099 for monies received from the School Board.

**Management's response:** Management has been issuing 1099's to contract employees and independent employees, but was not aware that other businesses, such as plumbers, painters, etc. needed to be issued 1099s also. This is the first year that substantial dollars were paid to such others, due to the report issued by the Department of Health regarding repairs to be made in connection with violations stated. Management will make every effort to ensure that these individuals receive 1099s for 2006 and will review our vendor list to identify those vendors affected. See current-year management letter item 07-M1.

**06-M2 Student Activity Funds**

**Comment:** Two schools were visited in the current year. During the visit an overall review of Student Activity Fund policies and procedures was performed as well as testing of receipts, disbursements, and bank reconciliations. The following are exceptions noted:

- When reviewing the internal control structure and policies at the schools we noted that one school does not gain approval from sponsors of clubs before making payments from restricted accounts. At another school, the teachers do not maintain a log or receipt book of monies collected from students.
- **Bank Reconciliations:** We selected three bank reconciliations at both schools. We noted at one school four outstanding checks did not clear timely. At the other school, one check did not clear in a timely manner and it was not possible to determine if bank reconciliations were being performed timely due to no date being on the bank reconciliations.
- **Receipts:** We selected ten receipts at each school. While one school had no exceptions noted, the other school had five exceptions in which deposits were not made in a timely manner (within three business days).
- **Disbursements:** We selected ten disbursements at each school and noted the following exceptions:
  - (1) Seven invoices were not paid from the original invoice.
  - (2) One disbursement was not properly approved by the principal.
  - (3) Three disbursements were not properly approved by sponsor of the club or organization.

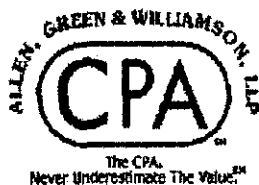
**Recommendation:** All payments should be made from the original invoice and have the proper authorization. Deposits should be made in a timely manner (within three business days). Bank reconciliations should be initialed and dated by the preparer and any outstanding checks investigated within a reasonable time period and cleared from the bank reconciliations. Teachers should maintain a log or receipt book for all monies received from students and retained at year-end.

**Management's response:** Management continues to work closely with the school secretaries and site visits are made each year to review each school's procedures. From time to time, situations arise at some of our more rural schools where deposits are not being made timely. This will be reviewed again, not only at the schools mentioned above, but with each school secretary at each site. Arrangements will have to be made to compensate for those schools located in an area of the parish where there is no bank branch. All reconciliations are to be dated, but our assurance that they are done timely is when the schools send the monthly bank reconciliation to the central office for monthly review. All disbursements will be paid from an original invoice and always approved by the principal as well as by the sponsor, if required. However, a letter stating all of the above recommendations will be sent to each school principal and school



**Union Parish School Board  
Status of Prior Management Letter Items  
June 30, 2007**

secretary, as well as discussed at the monthly principal's meeting. At some point, the School Board may have to give thought to additional office assistance at the school level. We have been blessed with an exceptional group of employees who work diligently for the School Board, but they are many times the only person in the office located at the school. Many responsibilities fall to the school secretaries in the parish, but management will continue to strive forward to meet the many demands of being fiscally responsible at the school level site. See current-year management letter item 07-M2.



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(Retired 1963 - 2000)

### INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board Members  
Union Parish School Board  
Farmerville, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the Union Parish School Board, Farmerville, Louisiana, and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of the School Board and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE). This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the reports. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings relate to the accompanying schedules of supplemental information are as follows:

#### General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule 1)

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:
  - Total General Fund Instructional Expenditures,
  - Total General Fund Equipment Expenditures,
  - Total Local Taxation Revenue,
  - Total Local Earnings on Investment in Real Property,
  - Total State Revenue in Lieu of Taxes,
  - Nonpublic Textbook Revenue, and
  - Nonpublic Transportation Revenue.

**Comment:** No exceptions were noted as a result of applying agreed upon procedures.

*Education Levels of Public School Staff (Schedule 2)*

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1.

**Comment:** The total number of teachers per Schedules 2 and 4 did not agree to the total count per the October Profile of Educational Personnel report. Schedules 2 and 4 report a total number of 184 in which the October Profile of Educational Personnel report has 187.

**Management's response:** Schedule has been corrected.

3. We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals per this schedule.

**Comment:** No exceptions were noted as a result of applying agreed upon procedures.

4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1 and as reported on the schedule. We traced a random sample of 25 teachers to the individual's personnel file and determine if the individual's education level was properly classified on the schedule.

**Comment:** No exceptions were noted as a result of applying agreed upon procedures.

*Number and Type of Public Schools (Schedule 3)*

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title I Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555)

**Comment:** Two of the schools were not properly classified on the schedule.

**Management's response:** Schedule has been corrected.

*Experience of Public Principals and Full-time Classroom Teachers (Schedule 4)*

6. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

**Comment:** No exceptions were noted as a result of applying agreed upon procedures.

*Public Staff Data (Schedule 5)*

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.

**Comment:** No exceptions were noted as a result of applying agreed upon procedures.

8. We recalculated the average salaries and full-time equivalents reported in the schedule.

**Comment:** No exceptions were noted as a result of applying agreed upon procedures.

*Class Size Characteristics Schedule 6)*

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1 roll books for those classes and determined if the class was properly classified on the schedule.

**Comment:** No exceptions were noted as a result of applying agreed upon procedures.

*Louisiana Educational Assessment Program (LEAP) for the 21st Century (Schedule 7)*

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School Board.

**Comment:** No exceptions were noted as a result of applying agreed upon procedures.

*The Graduation Exit Exam for the 21st Century (Schedule 8)*

11. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School Board.

**Comment:** No exceptions were noted as a result of applying agreed upon procedures.

*The ILEAP (Schedule 9)*

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School Board.

**Comment:** No exceptions were noted as a result of applying agreed upon procedures.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Union Parish School Board, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*allen, green + williamson, LLP*  
ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
December 20, 2007

## Schedule 1

**UNION PARISH SCHOOL BOARD**  
**Farmerville, Louisiana**

**General Fund Instructional and Support Expenditures  
 and Certain Local Revenue Sources  
 For the Year Ended June 30, 2006-2007**

General Fund Instructional and Equipment Expenditures

## General Fund Instructional Expenditures:

## Teacher and Student Interaction Activities:

|  |              |               |
|--|--------------|---------------|
| Classroom Teacher Salaries                       | \$ 7,749,843 |               |
| Other Instructional Staff Activities             | 668,225      |               |
| Employee Benefits                                | 2,680,651    |               |
| Purchased Professional and Technical Services    | 0            |               |
| Instructional Materials and Supplies             | 409,703      |               |
| Instructional Equipment                          | 4,510        |               |
| Total Teacher and Student Interaction Activities |              | \$ 11,518,932 |

|                                |  |        |
|--------------------------------|--|--------|
| Other Instructional Activities |  | 37,866 |
|--------------------------------|--|--------|

|  |         |         |
|--|---------|---------|
| Pupil Support Services                     | 711,910 |         |
| Less: Equipment for Pupil Support Services | 0       |         |
| Net Pupil Support Services                 |         | 711,910 |

|  |         |         |
|--|---------|---------|
| Instructional Staff Services                     | 963,443 |         |
| Less: Equipment for Instructional Staff Services | 0       |         |
| Net Instructional Staff Services                 |         | 963,443 |

|   |         |         |
|---|---------|---------|
| School Administration                     | 850,031 |         |
| Less: Equipment for School Administration | 0       |         |
| Net School Administration                 |         | 850,031 |

|   |  |            |
|---|--|------------|
| Total General Fund Instructional Expenditures |  | 14,080,182 |
|---|--|------------|

|   |  |         |
|---|--|---------|
| Total General Fund Equipment Expenditures |  | 287,385 |
|---|--|---------|

Certain Local Revenue Sources

## Local Taxation Revenue:

|   |           |
|---|-----------|
| Constitutional Ad Valorem Taxes   | 286,598   |
| Renewable Ad Valorem Tax  | 1,716,315 |
| Debt Service Ad Valorem Tax   | 0         |
| Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes | 57,746    |
| Sales and Use Taxes   | 4,278,728 |
| Total Local Taxation Revenue  | 6,339,387 |

## Local Earnings on Investment in Real Property:

|   |        |
|---|--------|
| Earnings from 16th Section Property                 | 7,159  |
| Earnings from Other Real Property                   | 16,644 |
| Total Local Earnings on Investment in Real Property | 23,803 |

## State Revenue in Lieu of Taxes:

|                                      |         |
|--------------------------------------|---------|
| Revenue Sharing - Constitutional Tax | 52,896  |
| Revenue Sharing - Other Taxes        | 74,733  |
| Revenue Sharing - Excess Portion     | 0       |
| Other Revenue in Lieu of Taxes       | 0       |
| Total State Revenue in Lieu of Taxes | 127,629 |

|                            |  |   |
|----------------------------|--|---|
| Nonpublic Textbook Revenue |  | 0 |
|----------------------------|--|---|

|                                  |  |   |
|----------------------------------|--|---|
| Nonpublic Transportation Revenue |  | 0 |
|----------------------------------|--|---|

**UNION PARISH SCHOOL BOARD**  
Farmerville, Louisiana

**Education Levels of Public School Staff**  
As of October 1, 2006

| Category                      | Full-time Classroom Teachers |               |                |               | Principals & Assistant Principals |            |                |         |
|-------------------------------|------------------------------|---------------|----------------|---------------|-----------------------------------|------------|----------------|---------|
|                               | Certificated                 |               | Uncertificated |               | Certificated                      |            | Uncertificated |         |
|                               | Number                       | Percent       | Number         | Percent       | Number                            | Percent    | Number         | Percent |
| Less than a Bachelor's Degree |                              |               |                |               |                                   |            |                |         |
| Bachelor's Degree             | 110                          | 60.00         | 2              | 67.00         | 2                                 | 16.7       |                |         |
| Master's Degree               | 42                           | 23.00         | 1              | 33.00         | 3                                 | 25         |                |         |
| Master's Degree + 30          | 31                           | 16.99         |                |               | 7                                 | 58.3       |                |         |
| Specialist in Education       | 1                            | 0.01          |                |               |                                   |            |                |         |
| Ph. D. or Ed. D.              |                              |               |                |               |                                   |            |                |         |
| <b>Total</b>                  | <b>184</b>                   | <b>100.00</b> | <b>3</b>       | <b>100.00</b> | <b>12</b>                         | <b>100</b> |                |         |

**Schedule 3**

**UNION PARISH SCHOOL BOARD**

**Farmerville, Louisiana**

**Number and Type of Public Schools  
For the Year Ended June 30, 2007**

| Type            | Number |
|-----------------|--------|
| Elementary      | 1      |
| Middle/Jr. High | 1      |
| Secondary       | 2      |
| Combination     | 4      |
| Total           | 8      |



## UNION PARISH SCHOOL BOARD

Farmerville, Louisiana

Experience of Public Principals, Assistant Principals, and Full Time Classroom Teachers  
As of October 31, 2006

|                      | 0-1 Yr. | 2-3<br>Yrs. | 4-10<br>Yrs. | 11-14 Yrs. | 15-19<br>Yrs. | 20-24<br>Yrs. | 25 +<br>Yrs. | Total |
|----------------------|---------|-------------|--------------|------------|---------------|---------------|--------------|-------|
| Assistant Principals |         |             | 1            | 1          |               |               | 2            | 4     |
| Principals           |         |             | 1            | 1          | 1             |               | 5            | 8     |
| Classroom Teachers   | 32      | 10          | 54           | 17         | 18            | 19            | 37           | 187   |
| <b>Total</b>         | 32      | 10          | 56           | 19         | 19            | 19            | 44           | 199   |

## UNION PARISH SCHOOL BOARD

Farmerville, Louisiana

Public School Staff Data: Average Salaries  
For the Year Ended June 30, 2007

|   | All Classroom<br>Teachers | Classroom Teachers<br>Excluding ROTC<br>and Rehired Retirees |
|---|---------------------------|--|
| Average Classroom<br>Teachers' Salary<br>Including Extra<br>Compensation                | 40,014                    | 39,867   |
| Average Classroom<br>Teachers' Salary<br>Excluding Extra<br>Compensation                | 39,452                    | 39,332   |
| Number of Teacher Full-<br>time Equivalents(FTEs)<br>Computation of Average<br>Salaries | 205                       | 197  |

**Note:** Figures reported include all sources of funding (i.e., federal, state, and local) but exclude employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers and ROTC teachers receive more compensation because of a federal supplement. Therefore, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes and temporary employees.

**UNION PARISH SCHOOL BOARD**  
Farmerville, Louisiana

**Schedule 6**

**Class Size Characteristics**  
**As of October 1, 2006**

| School Type                       | Class Size Range |        |         |        |         |        |         |        |
|-----------------------------------|------------------|--------|---------|--------|---------|--------|---------|--------|
|                                   | 1 - 20           |        | 21 - 26 |        | 27 - 33 |        | 34 +    |        |
|                                   | Percent          | Number | Percent | Number | Percent | Number | Percent | Number |
| Elementary (PreK-5)               | 30.3             | 56     | 60      | 111    | 9.7     | 18     | 0       | 0      |
| Elementary Activity Classes       | 16.7             | 4      | 70.8    | 17     | 12.5    | 3      | 0       | 0      |
| Middle/ Jr. High (6-8)            | 36.6             | 37     | 43.6    | 44     | 19.8    | 20     | 0       | 0      |
| Middle/ Jr. High Activity Classes | 85.2             | 23     | 7.4     | 2      | 7.4     | 2      | 0       | 0      |
| High (9-12)                       | 53.9             | 82     | 21.1    | 32     | 25      | 38     | 0       | 0      |
| High Activity Classes             | 86.5             | 32     | 8.1     | 3      | 5.4     | 2      | 0       | 0      |
| Combination (PreK-12)             | 76.4             | 489    | 19.5    | 125    | 4.1     | 26     | 0       | 0      |
| Combination Activity Classes      | 64.8             | 46     | 18.3    | 13     | 11.3    | 8      | 5.6     | 4      |

**Note:** The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.

UNION PARISH SCHOOL BOARD  
Farmerville, Louisiana

Louisiana Educational Assessment Program (LEAP)  
For the Year Ended June 30, 2007

| Achievement Level Results | English Language Arts |         |        |         |        |         | Mathematics |         |        |         |        |         |
|---------------------------|-----------------------|---------|--------|---------|--------|---------|-------------|---------|--------|---------|--------|---------|
|                           | 2007                  |         | 2006   |         | 2005   |         | 2007        |         | 2006   |         | 2005   |         |
|                           | Number                | Percent | Number | Percent | Number | Percent | Number      | Percent | Number | Percent | Number | Percent |
| Grade 4                   |                       |         |        |         |        |         |             |         |        |         |        |         |
| Advanced                  | 2                     | 1       | 1      | 0       | 1      | 0       | 2           | 1       | 2      | 1       | 9      | 1       |
| Mastery                   | 27                    | 14      | 24     | 9       | 31     | 11      | 16          | 8       | 24     | 9       | 28     | 9       |
| Basic                     | 67                    | 35      | 84     | 33      | 111    | 40      | 76          | 40      | 82     | 32      | 113    | 41      |
| Approaching Basic         | 49                    | 26      | 60     | 23      | 70     | 25      | 47          | 25      | 50     | 19      | 58     | 21      |
| Unsatisfactory            | 45                    | 24      | 88     | 34      | 63     | 23      | 49          | 26      | 98     | 39      | 75     | 27      |
| Total                     | 190                   |         | 257    |         | 276    |         | 190         |         | 257    |         | 275    |         |

| Achievement Level Results | Science |         |        |         |        |         | Social Studies |         |        |         |        |         |
|---------------------------|---------|---------|--------|---------|--------|---------|----------------|---------|--------|---------|--------|---------|
|                           | 2007    |         | 2006   |         | 2005   |         | 2007           |         | 2006   |         | 2005   |         |
|                           | Number  | Percent | Number | Percent | Number | Percent | Number         | Percent | Number | Percent | Number | Percent |
| Grade 4                   |         |         |        |         |        |         |                |         |        |         |        |         |
| Advanced                  | 0       | 0       | 4      | 2       | 7      | 3       | 0              | 0       | 2      | 1       | 3      | 1       |
| Mastery                   | 16      | 8       | 15     | 6       | 25     | 9       | 12             | 6       | 11     | 4       | 8      | 3       |
| Basic                     | 92      | 48      | 90     | 35      | 128    | 47      | 97             | 51      | 99     | 39      | 125    | 45      |
| Approaching Basic         | 53      | 28      | 85     | 33      | 80     | 29      | 35             | 18      | 73     | 28      | 72     | 26      |
| Unsatisfactory            | 30      | 16      | 63     | 25      | 35     | 13      | 47             | 25      | 72     | 28      | 87     | 24      |
| Total                     | 191     |         | 257    |         | 276    |         | 191            |         | 257    |         | 275    |         |

| Achievement Level Results | English Language Arts |         |        |         |        |         | Mathematics |         |        |         |        |         |
|---------------------------|-----------------------|---------|--------|---------|--------|---------|-------------|---------|--------|---------|--------|---------|
|                           | 2007                  |         | 2006   |         | 2005   |         | 2007        |         | 2006   |         | 2005   |         |
|                           | Number                | Percent | Number | Percent | Number | Percent | Number      | Percent | Number | Percent | Number | Percent |
| Grade 5                   |                       |         |        |         |        |         |             |         |        |         |        |         |
| Advanced                  | 1                     | 0       | 5      | 2       | 0      | 0       | 5           | 2       | 4      | 1       | 4      | 1       |
| Mastery                   | 20                    | 8       | 12     | 4       | 32     | 10      | 8           | 3       | 4      | 1       | 13     | 4       |
| Basic                     | 83                    | 33      | 105    | 38      | 95     | 31      | 83          | 31      | 117    | 38      | 135    | 43      |
| Approaching Basic         | 65                    | 35      | 127    | 44      | 103    | 34      | 70          | 28      | 75     | 24      | 82     | 20      |
| Unsatisfactory            | 61                    | 24      | 39     | 14      | 75     | 26      | 99          | 37      | 106    | 35      | 97     | 31      |
| Total                     | 253                   |         | 286    |         | 305    |         | 265         |         | 306    |         | 311    |         |

| Achievement Level Results | Science |         |        |         |        |         | Social Studies |         |        |         |        |         |
|---------------------------|---------|---------|--------|---------|--------|---------|----------------|---------|--------|---------|--------|---------|
|                           | 2007    |         | 2006   |         | 2005   |         | 2007           |         | 2006   |         | 2005   |         |
|                           | Number  | Percent | Number | Percent | Number | Percent | Number         | Percent | Number | Percent | Number | Percent |
| Grade 5                   |         |         |        |         |        |         |                |         |        |         |        |         |
| Advanced                  | 5       | 2       | 0      | 0       | 7      | 3       | 2              | 1       | 1      | 0       | 2      | 1       |
| Mastery                   | 23      | 10      | 19     | 7       | 25     | 9       | 19             | 8       | 14     | 5       | 20     | 7       |
| Basic                     | 96      | 40      | 81     | 30      | 128    | 47      | 101            | 42      | 109    | 41      | 110    | 38      |
| Approaching Basic         | 65      | 27      | 108    | 40      | 80     | 29      | 55             | 23      | 68     | 25      | 67     | 23      |
| Unsatisfactory            | 62      | 22      | 61     | 23      | 35     | 13      | 64             | 27      | 77     | 29      | 85     | 31      |
| Total                     | 241     |         | 269    |         | 275    |         | 241            |         | 269    |         | 287    |         |

**UNION PARISH SCHOOL BOARD**  
Farmerville, Louisiana

**The Graduation Exit Exam (GEE)**  
For the Year Ended June 30, 2007

| District Achievement<br>Level Results | English Language Arts |         |        |         |        |         | Mathematics |         |        |         |        |         |
|---------------------------------------|-----------------------|---------|--------|---------|--------|---------|-------------|---------|--------|---------|--------|---------|
|                                       | 2007                  |         | 2006   |         | 2005   |         | 2007        |         | 2006   |         | 2005   |         |
|                                       | Number                | Percent | Number | Percent | Number | Percent | Number      | Percent | Number | Percent | Number | Percent |
| Grade 10                              |                       |         |        |         |        |         |             |         |        |         |        |         |
| Advanced                              | 2                     | 1       | 0      | 0       | 1      | 1       | 9           | 4       | 8      | 4       | 5      | 2       |
| Mastery                               | 7                     | 4       | 15     | 8       | 15     | 8       | 16          | 8       | 25     | 13      | 25     | 12      |
| Basic                                 | 79                    | 40      | 89     | 45      | 89     | 45      | 70          | 34      | 87     | 44      | 78     | 39      |
| Approaching Basic                     | 67                    | 29      | 59     | 30      | 48     | 24      | 48          | 23      | 38     | 19      | 35     | 17      |
| Unsatisfactory                        | 52                    | 26      | 35     | 18      | 46     | 23      | 62          | 30      | 42     | 21      | 39     | 29      |
| Total                                 | 197                   |         | 198    |         | 199    |         | 205         |         | 200    |         | 182    |         |

| District Achievement<br>Level Results | Science |         |        |         |        |         | Social Studies |         |        |         |        |         |
|---------------------------------------|---------|---------|--------|---------|--------|---------|----------------|---------|--------|---------|--------|---------|
|                                       | 2007    |         | 2006   |         | 2005   |         | 2007           |         | 2006   |         | 2005   |         |
|                                       | Number  | Percent | Number | Percent | Number | Percent | Number         | Percent | Number | Percent | Number | Percent |
| Grade 11                              |         |         |        |         |        |         |                |         |        |         |        |         |
| Advanced                              | 4       | 2       | 1      | 1       | 3      | 2       | 0              | 0       | 0      | 0       | 0      | 0       |
| Mastery                               | 14      | 8       | 9      | 5       | 16     | 8       | 5              | 3       | 2      | 1       | 9      | 6       |
| Basic                                 | 72      | 40      | 89     | 35      | 97     | 50      | 85             | 48      | 83     | 49      | 105    | 54      |
| Approaching Basic                     | 50      | 28      | 58     | 33      | 50     | 26      | 47             | 27      | 43     | 25      | 55     | 28      |
| Unsatisfactory                        | 39      | 22      | 45     | 28      | 29     | 15      | 40             | 23      | 42     | 25      | 27     | 14      |
| Total                                 | 179     |         | 170    |         | 195    |         | 177            |         | 170    |         | 196    |         |

**UNION PARISH SCHOOL BOARD**  
Farmerville, Louisiana

**The IOWA and ILEAP Tests**  
For the Year Ended June 30, 2007

**IOWA Test**

|   | Composite |      |
|---|-----------|------|
|   | 2005      | 2004 |
| Iowa Test of Basic Skills (ITBS)        |           |      |
| Grade 3                                 | 54        | 52   |
| Grade 5                                 | 55        | 54   |
| Grade 6                                 | 44        | 43   |
| Grade 7                                 | 44        | 44   |
| Tests of Educational Development (ITED) |           |      |
| Grade 9                                 | 42        | 38   |

Scores are reported by National Percentile Rank. A student's National

**ILEAP Test**

| District Achievement Level Results | English Language Arts<br>2006 |         | Mathematics<br>2006 |         | Science<br>2006 |         | Social Studies<br>2006 |         |
|------------------------------------|-------------------------------|---------|---------------------|---------|-----------------|---------|------------------------|---------|
|                                    | Number                        | Percent | Number              | Percent | Number          | Percent | Number                 | Percent |
| Students                           |                               |         |                     |         |                 |         |                        |         |
| Grade 3                            |                               |         |                     |         |                 |         |                        |         |
| Advanced                           | 2                             | 1       | 2                   | 1       | 2               | 1       | 0                      | 0       |
| Mastery                            | 22                            | 10      | 18                  | 8       | 18              | 6       | 18                     | 8       |
| Basic                              | 79                            | 37      | 72                  | 34      | 81              | 38      | 98                     | 46      |
| Approaching Basic                  | 54                            | 25      | 70                  | 33      | 74              | 35      | 54                     | 25      |
| Unsatisfactory                     | 57                            | 27      | 52                  | 24      | 43              | 20      | 43                     | 20      |
| Total                              | 214                           |         | 214                 |         | 218             |         | 213                    |         |

| District Achievement Level Results | English Language Arts<br>2006 |         | Mathematics<br>2006 |         | Science<br>2006 |         | Social Studies<br>2006 |         |
|------------------------------------|-------------------------------|---------|---------------------|---------|-----------------|---------|------------------------|---------|
|                                    | Number                        | Percent | Number              | Percent | Number          | Percent | Number                 | Percent |
| Students                           |                               |         |                     |         |                 |         |                        |         |
| Grade 5                            |                               |         |                     |         |                 |         |                        |         |
| Advanced                           | 3                             | 1       | 7                   | 3       | 2               | 1       | 0                      | 0       |
| Mastery                            | 17                            | 8       | 20                  | 10      | 22              | 11      | 12                     | 6       |
| Basic                              | 77                            | 38      | 79                  | 39      | 89              | 34      | 78                     | 38      |
| Approaching Basic                  | 54                            | 27      | 44                  | 22      | 69              | 34      | 64                     | 32      |
| Unsatisfactory                     | 62                            | 28      | 53                  | 26      | 41              | 20      | 49                     | 24      |
| Total                              | 203                           |         | 203                 |         | 203             |         | 203                    |         |

| District Achievement Level Results | English Language Arts<br>2006 |         | Mathematics<br>2006 |         | Science<br>2006 |         | Social Studies<br>2006 |         |
|------------------------------------|-------------------------------|---------|---------------------|---------|-----------------|---------|------------------------|---------|
|                                    | Number                        | Percent | Number              | Percent | Number          | Percent | Number                 | Percent |
| Students                           |                               |         |                     |         |                 |         |                        |         |
| Grade 6                            |                               |         |                     |         |                 |         |                        |         |
| Advanced                           | 10                            | 4       | 6                   | 3       | 1               | 0       | 3                      | 1       |
| Mastery                            | 28                            | 12      | 22                  | 10      | 17              | 8       | 14                     | 6       |
| Basic                              | 93                            | 41      | 89                  | 39      | 73              | 32      | 82                     | 36      |
| Approaching Basic                  | 45                            | 20      | 42                  | 19      | 78              | 34      | 59                     | 26      |
| Unsatisfactory                     | 51                            | 22      | 68                  | 30      | 58              | 26      | 67                     | 30      |
| Total                              | 227                           |         | 227                 |         | 225             |         | 225                    |         |

| District Achievement Level Results | English Language Arts<br>2006 |         | Mathematics<br>2006 |         | Science<br>2006 |         | Social Studies<br>2006 |         |
|------------------------------------|-------------------------------|---------|---------------------|---------|-----------------|---------|------------------------|---------|
|                                    | Number                        | Percent | Number              | Percent | Number          | Percent | Number                 | Percent |
| Students                           |                               |         |                     |         |                 |         |                        |         |
| Grade 7                            |                               |         |                     |         |                 |         |                        |         |
| Advanced                           | 7                             | 3       | 5                   | 2       | 3               | 1       | 3                      | 1       |
| Mastery                            | 22                            | 10      | 14                  | 6       | 18              | 8       | 22                     | 10      |
| Basic                              | 96                            | 43      | 85                  | 38      | 74              | 34      | 93                     | 42      |
| Approaching Basic                  | 66                            | 30      | 69                  | 27      | 80              | 36      | 52                     | 24      |
| Unsatisfactory                     | 30                            | 14      | 58                  | 26      | 45              | 20      | 50                     | 23      |
| Total                              | 221                           |         | 221                 |         | 220             |         | 220                    |         |

| District Achievement Level Results | English Language Arts<br>2006 |         | Mathematics<br>2006 |         |
|------------------------------------|-------------------------------|---------|---------------------|---------|
|                                    | Number                        | Percent | Number              | Percent |
| Students                           |                               |         |                     |         |
| Grade 9                            |                               |         |                     |         |
| Advanced                           | 3                             | 1       | 8                   | 4       |
| Mastery                            | 27                            | 12      | 18                  | 8       |
| Basic                              | 94                            | 41      | 89                  | 40      |
| Approaching Basic                  | 78                            | 33      | 57                  | 25      |
| Unsatisfactory                     | 27                            | 12      | 53                  | 24      |
| Total                              | 227                           |         | 225                 |         |

**1 LEAP Test**

| District Achievement Level Results | English Language Arts |         | Mathematics |         | Science |         | Social Studies |         |
|------------------------------------|-----------------------|---------|-------------|---------|---------|---------|----------------|---------|
|                                    | 2007                  |         | 2007        |         | 2007    |         | 2007           |         |
|                                    | Number                | Percent | Number      | Percent | Number  | Percent | Number         | Percent |
| Students                           |                       |         |             |         |         |         |                |         |
| Grade 3                            |                       |         |             |         |         |         |                |         |
| Advanced                           | 1                     | 0       | 3           | 1       | 2       | 1       | 1              | 0       |
| Mastery                            | 17                    | 7       | 23          | 9       | 16      | 7       | 21             | 9       |
| Basic                              | 105                   | 43      | 83          | 34      | 80      | 33      | 87             | 36      |
| Approaching Basic                  | 75                    | 30      | 78          | 32      | 101     | 41      | 78             | 32      |
| Unsatisfactory                     | 48                    | 20      | 58          | 24      | 47      | 19      | 58             | 24      |
| Total                              | 246                   |         | 248         |         | 246     |         | 245            |         |

| District Achievement Level Results | English Language Arts |         | Mathematics |         | Science |         | Social Studies |         |
|------------------------------------|-----------------------|---------|-------------|---------|---------|---------|----------------|---------|
|                                    | 2007                  |         | 2007        |         | 2007    |         | 2007           |         |
|                                    | Number                | Percent | Number      | Percent | Number  | Percent | Number         | Percent |
| Students                           |                       |         |             |         |         |         |                |         |
| Grade 5                            |                       |         |             |         |         |         |                |         |
| Advanced                           | 0                     | 0       | 4           | 2       | 4       | 2       | 6              | 3       |
| Mastery                            | 28                    | 12      | 13          | 6       | 17      | 8       | 15             | 7       |
| Basic                              | 86                    | 30      | 75          | 34      | 82      | 28      | 90             | 41      |
| Approaching Basic                  | 58                    | 26      | 46          | 21      | 81      | 37      | 56             | 26      |
| Unsatisfactory                     | 70                    | 32      | 82          | 37      | 58      | 25      | 51             | 23      |
| Total                              | 220                   |         | 220         |         | 220     |         | 220            |         |

| District Achievement Level Results | English Language Arts |         | Mathematics |         | Science |         | Social Studies |         |
|------------------------------------|-----------------------|---------|-------------|---------|---------|---------|----------------|---------|
|                                    | 2007                  |         | 2007        |         | 2007    |         | 2007           |         |
|                                    | Number                | Percent | Number      | Percent | Number  | Percent | Number         | Percent |
| Students                           |                       |         |             |         |         |         |                |         |
| Grade 6                            |                       |         |             |         |         |         |                |         |
| Advanced                           | 2                     | 1       | 5           | 2       | 1       | 0       | 3              | 1       |
| Mastery                            | 15                    | 7       | 11          | 5       | 11      | 5       | 6              | 2       |
| Basic                              | 91                    | 42      | 82          | 37      | 66      | 30      | 86             | 38      |
| Approaching Basic                  | 64                    | 29      | 42          | 19      | 89      | 41      | 68             | 30      |
| Unsatisfactory                     | 48                    | 21      | 79          | 36      | 51      | 23      | 59             | 27      |
| Total                              | 219                   |         | 219         |         | 218     |         | 218            |         |

| District Achievement Level Results | English Language Arts |         | Mathematics |         | Science |         | Social Studies |         |
|------------------------------------|-----------------------|---------|-------------|---------|---------|---------|----------------|---------|
|                                    | 2007                  |         | 2007        |         | 2007    |         | 2007           |         |
|                                    | Number                | Percent | Number      | Percent | Number  | Percent | Number         | Percent |
| Students                           |                       |         |             |         |         |         |                |         |
| Grade 7                            |                       |         |             |         |         |         |                |         |
| Advanced                           | 6                     | 3       | 8           | 4       | 2       | 1       | 1              | 0       |
| Mastery                            | 30                    | 14      | 18          | 9       | 23      | 11      | 28             | 13      |
| Basic                              | 87                    | 42      | 85          | 40      | 78      | 36      | 92             | 44      |
| Approaching Basic                  | 42                    | 20      | 43          | 20      | 67      | 32      | 59             | 28      |
| Unsatisfactory                     | 44                    | 21      | 56          | 27      | 41      | 20      | 29             | 14      |
| Total                              | 209                   |         | 210         |         | 209     |         | 209            |         |

| District Achievement Level Results | English Language Arts |         | Mathematics |         |
|------------------------------------|-----------------------|---------|-------------|---------|
|                                    | 2007                  |         | 2007        |         |
|                                    | Number                | Percent | Number      | Percent |
| Students                           |                       |         |             |         |
| Grade 8                            |                       |         |             |         |
| Advanced                           | 0                     | 0       | 7           | 3       |
| Mastery                            | 20                    | 7       | 20          | 7       |
| Basic                              | 117                   | 42      | 109         | 39      |
| Approaching Basic                  | 96                    | 34      | 72          | 26      |
| Unsatisfactory                     | 48                    | 17      | 72          | 26      |
| Total                              | 281                   |         | 280         |         |